

EXECUTIVE OFFICERS MEETING  
AUGUST 1, 1991

PRESENT: PRES. FAHERTY, SEC./TREAS. HAYNES, EXEC. V.P'S LYDON  
AND PHINNEY

ABSENT: EXEC. V.P. FARMER (UB)

MMS to have Pres. Faherty attend the New Hampshire 34th Annual  
Constitutional Convention. So voted.

MMS to purchase two tickets and a 1/4 page ad for the testimonial  
dinner in honor of Patrick J. Hagerty, B.M. of Laborer's Local 88.  
So voted.

MMS to refer the Illinois State AFL/CIO LABORLETTER to Rich  
Rogers. So voted.

MMS to send the Memo from IMPAC 2000 regarding the interpretation  
of the Voting Rights Act to Leg. Dir. Foley. So voted.

MMS to have Pres. Faherty send a letter of support of SB345 as  
requested from Pres. Frey, Alaska AFL/CIO. So voted.

MMS to have Pres. Faherty attend the Bi-Annual COPE Workshop in  
October 91. So voted.

MMS to print in the LaborLeader information regarding the Union  
Member Mortgage Program per the memo from Union Privilege. So  
voted.

MMS to send \$250.00 (COPE) as billed from Bittner & Boyer. So  
voted.

Tabled request from Joyce Miller, Nat'l. Pres. of CLUW to  
purchase an ad in the CLUW Convention Souvenir Journal.

Tabled invitation to attend the NCSL meeting being held in  
Orlando, Florida in August.

Tabled invitation to attend the N.Y. AFL/CIO's Industrial  
Division's first annual conference in September.

MMS to purchase five tickets (\$45.00) for the Mass. Building  
Trades/Boston Building Trades Council's Annual Clambake. So  
voted.

MMS to accept the recommendation of Edward Collins, Pres. of the  
Pioneer Valley CLC to have John Malone, B.M. of Painters Local  
257 serve as the replacement of William Cummings who is the Labor  
Rep. on the Board of Trustees of Springfield Tech. Community  
College. So voted.


MMS to put an article in Labor Leader per memo from Morton Bahr,  
Chair of 1991 AFL/CIO Campaign to support United Way. So voted.

Tabled recommendations from task force sent by Charley  
Richardson.

MMS to purchase one ticket for the retirement reception for Mal  
MacKinnon retiring from the Globe. So voted.

MMS to purchase 10 tickets (\$250) for the Boston CLC Annual Labor  
Day Breakfast. So voted.

Tabled request to purchase an ad from the Mass. Health Council,  
Inc. to attend their upcoming October program.



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MMS to have Pres. Faherty send a letter to Congressional Representatives and Senators support Israel's request for \$10 Billion loan to absorb new immigrants going into that country as requested by the Jewish Labor Committee. So voted.

MMS to issue \$100.00 for Pres. Faherty, Sec./Treas. Haynes and Exec. V.P. Lydon for a plane for Solidarity Day. So voted.

MMS to send a letter to Sen. Kennedy, Kerry and our Congressmen regarding U.I. So voted.

Discussed note from Mary Byrne regarding a news bulletin on construction projects and filed for information.

The flyer from Ed Doherty candidate for mayor was filed for information.

Discussed the labor dispute between employees at the Int'l. Brotherhood of Boilermakers who are represented by OPEIU 320 and filed for information.

Discussed Globe article dated June 30, 1991 on the State Dem Chair being key player in national dollar raising effort and article filed for information.

Discussed memo from Jim Braude regarding ballot campaign and filed for information.

MMS to invite Congressmen Moakley and Sanders to the Convention in October. So voted.

Discussed letter from Cong. Sanders regarding press conference on HR 5 and filed for information.

MMS to check with the regional office of the AFL/CIO, Frank Myers regarding the Sheraton Bal Harbour using non-union tradesman and send a letter to Pres. Kirkland informing him of the situation that it is an insult to the AFL/CIO per the request of Exec. V.P. Farmer, Glaziers Local 1044. So voted.

MMS send a \$35 check for membership to Mass. Assoc. of Older American, Inc. if done so in the past. So voted.

File Elaine Bernard, H.T.U.P's letter for future information.





1. Cape Conference - Pres Faherty

EXECUTIVE OFFICIERS MEETING  
JULY, 1991

August meeting

THINGS TO DISCUSS

Discuss the Labor dispute ... employees at the International Brotherhood of Boilermakers, represented by OPEIU Local 320.

~~for info~~

Discuss a note from Mary Byrne regarding a news bulletin on construction projects.

~~for info~~

✓ Invitation to Pres. Faherty from Pres. MacKenzie of the New Hampshire AFL/CIO to attend their 34th Constitutional Convention in October, 1991.

~~for info~~

Invitation from Elaine Bernard, HTUP to have a leader or staff representative attend the 1992 session of the HTUP.

~~Scholarship~~

✓ Request to purchase tickets to the testimonial dinner in honor of Patrick J. Hagerty, BM of Laborer's Local 88 and also an ad in their souvenir program book.

~~2 tickets 4 page ad~~

✓ Discuss attending the NCSL meeting being held in Orlando, Florida in August, 1991.

~~table~~

✓ Invitation to attend the N.Y. AFL/CIO's Industrial Division first annual conference being held in September, 1991.

~~table~~

~~Elyer from Ed Doherty candidate for Mayor.~~

~~for info~~

✓ Invitation to Pres. Faherty for him and a guest be the guest of CWA 1365 at their annual golf classic.

~~off no~~

✓ Request from the Massachusetts Association of Older Americans, Inc. to renew membership.

~~check it out Izj~~

✓ Discuss Page 2 of the Illinois State AFL/CIO LABORLETTER.

~~refer to Nick~~

✓ Discuss the Memo from IMPAC 2000 regarding the interpretation of the Voting Rights Act.

~~refer to Mary~~



✓ Request to purchase tickets to the Boston CLC Annual Labor Day Breakfast.

~~10 Tickets in Part P 250~~

✓ Request from the Mass. Health Council, Inc. to purchase an ad in their upcoming October Program.

~~table~~

✓ Request from the New Jersey AFL/CIO to send a letter to our congressional representatives and senators on the imposition of a 5 cent tax on gasoline and send them a copy.

~~Joe send letter~~

✓ Request from the Jewish Labor Committee to send letters to U.S. Senators and Representatives asking that they support Israel's request for \$10 Billion loan to absorb new immigrants going into that country.

~~Send letter~~

~~Public Images~~

Solidarity Day

Train - Plane

\$100 - Joe, Joe, Bob

Reports - John

Ind, Public, Wday -

Send letter to Ted Kennedy, Kerry  
and ~~our~~ Congressmen -  
about U.I.

Check ISBN 2321 PC





✓ Discuss the letter from Pres. Frey, Alaska State AFL/CIO regarding support of SB345 - opening up the Arctic National Wildlife Refuge to oil exploration.

*Joe Send letter*

Discuss the Bi-Annual COPE Workshop - October, 1991.

*see Joe Faherty*

Discuss Globe article dated June 30, 1991.

*St. Demo Comm. - for information*

✓ Discuss the memo from Union Privilege, AFL/CIO regarding Union Member Mortgage Program.

*Print in newspaper*

✓ Bill from Bittner & Boyer.

*pay core \$250*

✓ Request from Joyce Miller, Nat'l. Pres. of CLUW to Pres. Faherty to purchase an ad in the CLUW Convention Souvenir Journal.

*table*

✓ Request from Exec. V.P. Farmer, Glaziers L.U. 1044 for the Council to send a letter to Pres. Kirkland informing him that the Sheraton Bal Harbour is employing non union tradesmen and by doing so it is an insult to the AFL/CIO.

*send letter  
Call Myers first*

✓ Invitation to purchase tickets for the Mass. Building Trades/Boston Building Trades Council Annual Clambake at \$45.00 each.

*Buy 5 tickets*

✓ From Edward Collins, Pres. Pioneer Valley CLC recommending John Malone, B.M. of Painters Local 257 to serve as the replacement for William Cummings who is the Labor Representative on the Board of Trustees of Springfield Tech. Community College and cannot run again because he has served for 10 years.

*O/C*

✓ Memo from Morton Bahr, Chair of 1991 AFL/CIO Campaign to support United Way regarding United Way/Union Ads.

*Put in our newspapers*

Discuss memo from Jim Braude regarding ballot campaign.

*for info*

Discuss letter from Cong. Bernard Sanders regarding press conference on H.R. 5.

*for info invite to convention and meetings*

✓ Discuss recommendations from task force send by Charley Richardson.

*table*

✓ Request to purchase ticket for the retirement reception for Mal MacKinnon retiring from the Globe.

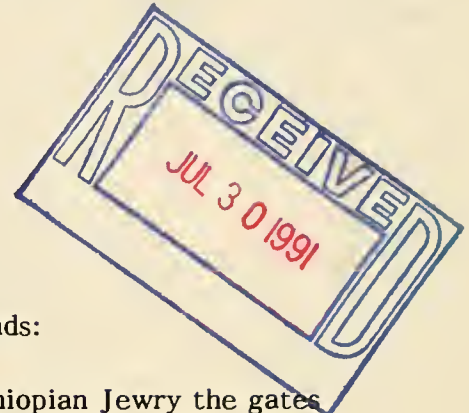
*1 ticket for Joe F.*



# Jewish Labor Committee

## NORTHEAST REGION

33 Harrison Avenue • Boston, MA 02111  
(617) 350-7969



July 17, 1991

### EXECUTIVE COMMITTEE

Ronald M. Alman  
*Chair*

Donald J. Siegel, Esq.  
*Vice-Chair*

Deborah L. Arnesen

Harlan R. Baker

Martin Blatt

Earl Bourdon

Harvey Brightman

Edward Clark

Joseph Diamant

Marjorie Epstein

Priscilla Golding

Candace Catlin Hall

Bill Kemsley, Sr.

Marek L. Laas, Esq.

Louis Leopold

Prof. Charles Levenstein

Jerrold S. Levinsky, Esq.

Israel Neiman

George S. Newman

Carl Proper

Nicholas Roussos

Richard Rumelt

Nathan Sandler

Michael Schippani

Jacob Schlitt

Elliot Small

Robert R. Stroh

Manuel Weiner

Edwin Weinstein

Stuart Weiss

Herman Brown

*Regional Director*

To Jewish Labor Committee Members and Friends:

After years of struggle to rescue Soviet and Ethiopian Jewry the gates have at last opened. Several hundreds of thousands of Soviet Jews have obtained refuge in Israel and most recently some 20,000 Ethiopian Jews have been given haven. Thousands more are expected to follow.

Israel is struggling to absorb these new immigrants. Israel is requesting \$10 billion in loan guarantees from the United States — so that it can go into the investment market and borrow funds. The borrowed money will be used to provide housing, health care and jobs for new immigrants.

It is vital that letters go to our U.S. Senators and Representatives asking that they support this humanitarian effort. A brief letter will do. Points to stress are:

1. The loan guarantees will provide humanitarian assistance.
2. Israel has always paid its debts fully and promptly.
3. Loan guarantees will cost the U.S. nothing as long as Israel repays its loans.

You can address Senator Edward M. Kennedy and Senator John Kerry by writing to the U.S. Senate, Washington, D.C. 20510.

You can address your Representative by writing to him at the House Office Building, Washington, D.C. 20515.

We urge you to join in this great cause by writing now.

Sincerely,

Ronald M. Alman

*Chair*

Donald J. Siegel

*Vice Chair*







# MASSACHUSETTS/AFL-CIO

Voice of Organized Labor 400,000 Strong

PRESIDENT  
JOSEPH C. FAHERTY

EXECUTIVE VICE PRESIDENTS  
JOSEPH M. LYDON  
JAMES FARMER  
JOHN F. PHINNEY

SECRETARY-TREASURER  
ROBERT J. HAYNES

VICE PRESIDENTS  
RICHARD J. ABDOW  
RONALD ALMAN  
NATALIE BAKER  
JOSEPH A. BELANGER  
ROBERT A. BRYANT  
EDWARD F. BURKE JR.  
GIRO J. CARDINAL  
THOMAS CHIRILLO  
JANET CIEJKA  
EDWARD W. COLLINS JR.  
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JOSEPH A. DART  
PAUL L. DEVLIN  
CHARLES DeROSA  
NICHOLAS DIMITROPOLIS  
JACK DONEGAN  
SANDRA FELDER  
WILLIAM J. FOLEY  
JOHN J. HOGAN  
WILLIAM F. IRVIN  
JOSEPH W. JOYCE  
JOSEPH KELLEHER  
THOMAS P. KERR  
DICK LeBLANC  
KEVIN MAHAR  
FRANK McCARTHY  
CHARLES McDEVITT  
PATRICK MELE JR.  
A. MICHAEL MULLANE  
JOSEPH W. NIGRO JR.  
HERBERT OLLIVIERRE  
CYNTHIA RODRIQUES  
TONY ROMANO  
CHARLES E. THOMPSON  
CELIA WCISLO  
MANNY WILLIAMS

*Cancel scheduled for 1st of June*  
Robert P. Caccia, Sr.  
President & Chief Executive Officer  
Union Investors Asset Management Company  
10 Liberty Square  
Boston, MA 02109

April 26, 1991

Dear Mr. Caccia:

The Massachusetts AFL/CIO Executive Officers would like to meet with you and your team to discuss Union Investors and how you can be of value to us. We would like to meet at our June Executive Officers Meeting.

Please call this office if June 6th at 10:00 AM is convenient for you.

Looking forward to seeing you on the 6th.

Sincerely,

Joseph C. Faherty  
President

Robert J. Haynes  
Secretary/Treasurer

*August 1*  
opeiu-6  
afl/cio

MASSACHUSETTS / AFL-CIO





# UNION INVESTORS ASSET MANAGEMENT COMPANY

10 LIBERTY SQUARE  
BOSTON, MASSACHUSETTS 02109

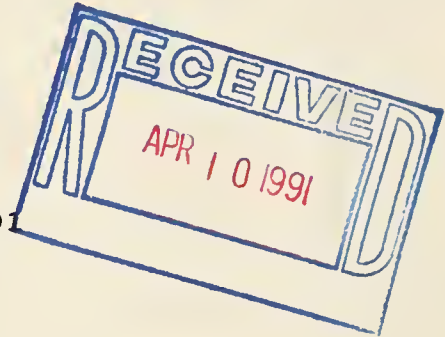
Telephone 617-426-3409

Telephone 617-482-8877

Fax 617-451-0800

EX *ff*

April 8, 1991



Mr. Joseph Faherty  
President  
A.F.L.C.I.O.  
8 Beacon Street, 3rd Floor  
Boston, MA 02108

Dear Joe:

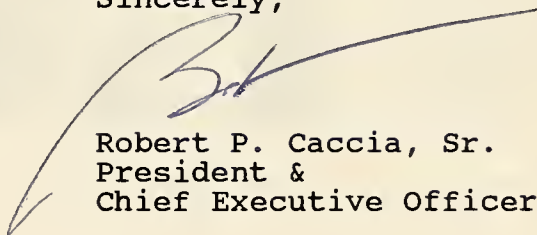
It was a pleasure seeing you at the Massachusetts Building Trades Conference.

I hope you had an opportunity to stop at our booth and meet with our professional investment staff. Union Investors has over 150 years of investment experience and our investment team understands the specific needs and requirements of our Union clients.

We would appreciate the opportunity of meeting with you and your Board of Trustees to more fully discuss Union Investors and how we can add real value to your Pension, Annuity, and Health & Welfare Funds.

I look forward to hearing from you soon.

Sincerely,



Robert P. Caccia, Sr.  
President &  
Chief Executive Officer

RPC:smh  
qa\rpc\trade



# State Dem chair is key player in national \$\$-raising effort

By WAYNE WOODLIEF

Out of the ashes of Michael Dukakis' defeat for president in 1988, a recognition has risen among Democratic leaders that they must raise early money for solid general election research and strategy long before the nominating contest ends.

And Massachusetts State Democratic Chairman Steven Grossman is in the thick of that effort, charged by National Chairman Ron Brown to raise \$3 to \$5 million by December for a general election plan.

Grossman — who honed his fund-raising skills as co-chairman of Dukakis' campaign fi-

nance committee in '88 — said the Republicans have consistently been more prepared for general-election presidential campaigns than the Democrats, even when, as in 1988, the nomination was contested in both parties.

"The Republican National Committee raised about \$50 million as a party to our \$13 million before the conventions in 1988," said Grossman. "As a party they had research and a game plan to deliver to their nominee, George Bush."

The millions the GOP spent on research — polling, in-depth focus-group interviews on themes that affected voters' emotions, etc. — gave them

early measures of how "certain themes would play against Dukakis and where," Grossman said. These included Willie Horton's furlough in the South, the pledge-of-allegiance flap in the Midwest heartland and Boston Harbor pollution in New Jersey, already sensitized by syringe-strewn beaches.

The Democratic National Committee, "for the first time in my memory," Grossman said, decided two weeks ago, at a leadership session at a posh estate in Middleburg in Virginia's hunt country, to play the early-research game.

"The message from Middleburg was, 'This is going to cost money, but

we must do it," said Grossman.

The session — which endured some jabs from press commentators who noted the party of the poor met at a millionaire donor's estate — nonetheless set a new direction for the Democrats, Grossman said.

The meeting included several other major Democratic party money-raisers and various presidential prospects — Paul Tsongas, Sen. Jay Rockefeller of West Virginia, Arkansas Gov. Bill Clinton, Sen. Tom Harkin of Iowa — and Democratic congressional leaders.

"Within 10 minutes, \$2.6 million had been pledged," said Grossman.

adding that despite the slump in political giving caused by the recession, "these are people who keep their pledges."

Grossman conceded that President Bush will be difficult to beat in 1992, but said it isn't impossible.

"We've got some interesting candidates shaping up," he said, including:

● Rockefeller. "He interested a lot of (the muncy) people at Middleburg. He has stature — not just his height (about 6-foot-6), but his presence. He has a kind of self-deprecating ease — and he won't hesitate to use his own resources."

● Tsongas. "Paul is intellectually solid on the issues. A lack of campaign money, lingering concerns about his cancer recovery and the old 'liberal Greek from Massachusetts' stuff hurts him. But he is remarkably self-assured and would be good in debate."

● Harkin. "Tom Harkin has the fire. He looks a crowd right in the eye and says, 'This is who I am, this is what I stand for.' He's passionate and honorable."

● Clinton. "Bill has a Southern base — especially if (Tennessee Sen.) Albert Gore doesn't run. And he has that Democratic Leadership Council network (a centrist group chartered in several states) going for him."

Grossman's national role was accelerated after he helped Brown win critical support for Brown's own campaign for national chairman in 1990. Brown nominated Grossman as a special member of the DNC — and later asked him to head the current research money-raising effort.

## Lending official: 'Loan scam hurt us, too'

Resource Financial Group is accused of causing Boston minority homeowners to lose their homes through second mortgage scams, but the head of the company says the lender is a victim, too.

Danny Garrison, head of the Hingham-based company, said Resource is a victim of "other people's agendas."

He said Resource's name has been tossed around by opponents of Fleet-Norstar Financial Group's plans to buy the failed Bank of New England. Fleet-Norstar, of Providence, R.I., is one of several institutions that extended credit to Resource.

Resource has "been the target of mortgage complaints from low-income and minority homeowners and community activists. The company is accused of talking residents into taking out second mortgages with interest rates of 20 percent and higher."

Many deals ended with homeowners losing their houses because they were unable to meet the payments.

In his first detailed statement on the controversy, Garrison told The Quincy Patriot Ledger the number of loans his company made in minority neighborhoods has been exaggerated. He said Resource made only 330 loans in those areas, not the 1,000 loans some critics have claimed.

"If you say 330, who's going to listen to you?" Garrison asked.

Garrison said that rather than blaming homeowners, Resource should be looking at the "other people's agendas" that have hurt the company.



BILL CLINTON  
'Has a Southern base'



PAUL TSONGAS  
'Solid on issues'



JOHN ROCKEFELLER  
'Has stature, presence'

'We've got some interesting (presidential) candidates shaping up.'

— Steven Grossman (right), Mass. State Democratic Chairman



## Tsongas hopes Iowa will 'field his dream'





MASSACHUSETTS  
DEMOCRATIC PARTY  
45 Bromfield St., 7th Fl.  
Boston, MA 02108

Joe Fahreny  
Mass APCD  
8 Beacon Street  
Boston MA 02108





**TEAM**

**The Tax Equity Alliance  
for Massachusetts**

Confidential  
July 25, 1991

EX *[Handwritten signature]*  
TO: Joe Faherty and Bob Haynes

FR: Jim Braude

RE: Ballot campaign

-----  
As promised (although a day late), below is a list of the items I discussed with you both yesterday.

1. AFL-CIO convention -- we'll set up a table, as we have in the past, but would like a brief slot on agenda to discuss: (a) ballot campaign; and (b) restoration of funding for contracts/services/local aid with excess tax revenues.

2. Central Labor Councils -- can we get on agendas once signature collection starts?

3. Notification of presidents -- could a letter be sent to the 700 (is that the right number?) local presidents notifying them of the campaign and urging those who are interested to contact us if they want to participate?

4. Signing the two questions -- we need 10 original signers whose names will appear on the petitions themselves. We'd like Joe to sign both Corporate Tax Reporting and the Graduated Income tax. Unlike the other issues, I need to know this by the date of the final pre-filing Board meeting -- Tuesday, August 30.

5. AFL-CIO role -- while Arthur will chair the ballot committee (unless his move legally precludes it) and the AFL-CIO will be represented on the Steering Committee (as it is on the TEAM board), we should continue discussion of a larger leadership role on one or both of the questions.

A few final notes:

-- signature collection begins on September 18 and ends on November 20 (in 350 cities and towns) and November 25 (in Boston).

-- Jill Coleman (formerly of SEIU 509) and Don Meglio (on loan from MFT/AFT) will coordinate statewide signature collection. Our western Massachusetts coordinator will be Sue Birns (who joins our staff as of September 1).

Thanks. I'll speak to you in a few days.

**TEAM**  
37 Temple Place  
3rd Floor  
Boston, MA 02111

617 426.1228  
800 833 TEAM  
617 695 1295 fax



BERNARD SANDERS  
MEMBER OF CONGRESS  
VERMONT, AT LARGE

509 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-4501  
TELEPHONE: 202-225-4115  
FAX: 202-225-6790

191 BANK STREET  
BURLINGTON, VT 05401-3845  
TELEPHONE: 802-862-0697  
TOLL FREE: 800-339-9834  
FAX: 802-860-6370

Congress of the United States  
House of Representatives  
Washington, DC 20515-4501

July 16, 1991

COMMITTEES:  
BANKING, FINANCE AND  
URBAN AFFAIRS  
SUBCOMMITTEES:  
HOUSING AND COMMUNITY DEVELOPMENT  
INTERNATIONAL DEVELOPMENT, FINANCE,  
TRADE AND MONETARY POLICY  
CONSUMER AFFAIRS AND COINAGE  
GOVERNMENT OPERATIONS  
SUBCOMMITTEES:  
GOVERNMENT INFORMATION, JUSTICE  
AND AGRICULTURE  
HUMAN RESOURCES AND  
INTERGOVERNMENTAL RELATIONS

Mr. Joe Faherty  
President,  
Massachusetts AFL-CIO  
8 Beacon Street  
Boston, MA VT 02108

Dear Mr. Faherty,

I want to thank everyone who was able to come up to Burlington for our press conference yesterday, on H.R. 5, The Striker Replacement Bill. We had a tremendous turnout with 17 different unions represented. I am enclosing some of the newspaper stories about the press conference. I think that in all the press coverage, including on the radio and the television, we were able to get out "our" message out that legislation to protect strikers' rights is an issue of importance to all workers in Vermont and America, unionized and non-unionized.

My thanks to all of you for your help. I hope that we can work together on future events like yesterday's, because I believe that we must continue to raise public awareness about the need to build a strong union movement. I am convinced that a stronger union movement will not only help raise the standard of living of all American workers but also help in the effort to redirect our national priorities to reflect the real needs of our people and push for progressive programs like national health care.

I am also enclosing some other recent newspaper stories on labor issues which may be of interest to you. Working together, I think we can continue to raise the issues of importance to us before the public eye and can continue to influence legislation as it comes before Congress.

Sincerely,



Bernard Sanders  
Member of Congress

P.S. I or a member of my staff would be delighted to come and speak at any of your local or regional meetings about H.R. 2530, my national health care legislation, or any other topic of interest to you.





Rutland Daily Herald • Tuesday Morning, July 16, 1991  
**State**

# Sanders Backs Protection for Strikers

The Associated Press

BURLINGTON—Rep. Bernard Sanders, I-Vt., said Monday he would support a bill barring employers from hiring permanent replacements when workers strike.

"The right to strike for better working conditions means nothing if going on strike guarantees that the striker will never return to his or her job again," Sanders told a news conference.

"Every employer expects to return to business as usual after a strike. Every worker, it seems to me, should have that same right," he added.

Flanked by 16 labor activists, Sanders declared his support for a measure expected

to be on the House floor on Wednesday. President Bush has threatened to veto the bill, and Sanders said he was uncertain about prospects for an override.

Labor leaders have, been pushing for a striker protection law for about the last decade, arguing that President Reagan's decision to fire striking air traffic controllers in 1981 and hire replacement workers triggered a flood of similar actions by industry.

"All over this country today workers worry about using their basic right to strike because if they go out on strike, if they stand up to the corporations, the management is sitting there with a whole bunch of new replacements ready to take their jobs," Sanders said.

"It's not what has gone on in this country historically. It's not what American labor relations is supposed to be."

Business groups have strongly opposed the measure. Peter Foote, president of Associated Industries of Vermont, said Monday that companies would find it difficult to maintain operations if replacement crews had to be replaced after a long strike with the workers they displaced.

Employers facing a strike "would have only two realistic options: acceding to union demands with no negotiation ... or to cease or dramatically curtail their operations," Foote said.





MARK SASAHARA, Free Press

U.S. Rep. Bernard Sanders, I-Vt., listens to Rachel Clough of United Electrical Workers of St. Johnsbury as she discusses her support for a law that would ban firms from hiring permanent replacements for striking workers.

## Sanders urges labor law revision

### Bill would ban permanent replacement of strikers

By Betsy Liley  
Free Press Staff Writer

Twenty years ago, hundreds of Vermont carpenters, bricklayers, laborers and others went on strike.

Some contractors hired permanent replacements, said Arthur Deloi, who represents the Laborers International Union of North America Local 522.

In 1981, striking air traffic controllers were permanently replaced by then-President Reagan.

More than two dozen labor officials and U.S. Rep. Bernard Sanders, I-Vt., called Monday for passage of a federal law prohibiting the hiring of permanent replacements for strikers.

"This legislation would balance the scales of justice in labor-management relations so that the law would serve as an instrument to safeguard workers' fundamental American right to strike," Sanders said during a news conference in City Hall.

Willis Hunt, a member of United Auto Workers Local 1371 in Bennington, was more emphatic: "If this isn't

passed, the labor movement, my feeling is, will die."

The bill is expected pass in the House but its future in the Senate is less clear. Sanders said he was unsure whether Congress could override a likely veto by President Bush.

Christopher Barbieri, executive director of the Vermont Chamber of Commerce, opposes the bill.

"The current law, we believe, does provide balance to the situation," he said. "It gives the union the right to strike which is very appropriate. It also gives the business person the right to try to stay in business, which is equally as much his or her right. If the striker replacement bill should pass it would tip the scales in the favor of organized labor."

Sanders noted similar laws in countries such as Canada, Germany and Japan. "What we are talking about here is the norm for the industrialized nations of the world," he said.

Barbieri disagreed, saying: "Canada's economy is in a shambles. There's no way I would want to emulate their

economic environment. ... Germany and Japan — I don't believe you can pull one single ingredient in their economic structure and say because they have it we should have it."

Vermont's senators are divided.

Republican James Jeffords does not support the measure, unconvinced of a need for change in the labor law of the past 50 years, his spokesman, Erik Smulson, said.

Smulson said a General Accounting Office study showed that of the 16 percent of the U.S. work force that is unionized, 3 percent of striking workers in 1989 were permanently replaced. The figure was 4 percent in 1985.

Democrat Patrick Leahy supports the bill and believes something will be passed despite a presidential veto threat, his spokesman, Joseph Jamele, said.

"He feels it's meant to address the increase during the '80s of the willingness of corporations willing to replace workers with less qualified and less trained workers willing to work for less money," Jamele said.





# Union supporters picket meeting of business group

By Michael Tighe  
The Associated Press

**MONTPELIER** — Labor union supporters rallied Thursday outside a downtown hotel where they said a union-busting seminar was being held.

The seminar at the Days Inn was sponsored by the Associated Industries of Vermont. It was advertised in the group's newsletter as a seminar on dealing with unionization efforts and was taught by New York City labor lawyer Robert Moss, whose firm represents management in labor relations.

"This seminar will take you through the various do's and don'ts of a unionization effort," the lobbying group's June 28 newsletter said.

The union rally was organized by the United Electrical, Radio and Machine Workers of America. Hugh Colburn, a member of UE Local 218 in Springfield, said the seminar was promoting union busting.

"Robert Moss is a union buster," Colburn said. "He is nothing more than a hired gun who will teach manufacturers how to deny Vermont workers their basic rights."

A spokesman for Associated Industries of Vermont denied the union busting allegations.

"Union charges of 'union busting' are both unfounded and unwarranted, and we are surprised that they have



**TOBY TALBOT, The Associated Press**

**Union supporters picket an Associated Businesses of Vermont meeting Thursday in Montpelier. The protesters said the meeting was a seminar on union-busting.**

taken this provocative stance," spokesman Tom Hartly said. "Their attempt to disrupt an educational seminar held for our membership is disappointing."

Hartly said representatives from 39 Vermont companies attended the seminar. He said Associated Industries of Vermont's role is to inform members of their legal rights and responsibilities in

dealing with union matters.

"Today's seminar is in keeping with that role," Hartly said.

The rally was attended by about two dozen people, including several state legislators, former Democratic gubernatorial candidate Peter Welch and staffers from the office of U.S. Rep. Bernard Sanders, I-Vt.

"We need a strong union movement in Vermont and in this country," Sanders said in a news release. "Unions are good for workers, and they are good for our economy."

Sanders said American workers have seen their standard of living decline at the same time that large corporations have experienced income growth.

"We say to the owners and the CEOs: ... Workers have a right to (a) decent standard of living. You're going to have to start sharing some of the pie with the people who made it," Sanders said.

Sanders was involved in a recent flap with Associated Industries of Vermont about his endorsement of UE's effort to organize Vermont workers. In the business group's newsletter, organization President Peter Foote said Sanders' belief that strong unions mean a strong economy is "patently naive."

Welch said workers need unions to protect their economic rights.

"What we want are good jobs with good pay," he said. "We need an economy that works for everybody and not just the chosen few. Keep up the fight!"

State Sen. Richard McCormack, D-Windsor, said unions are the best way for American workers to protect themselves against the "benevolent despots" known as corporate executives.

"We're here defending a fundamental principle," McCormack said.

**TES, CALL THE INFORMATION CENTER AT (900) 773-6000. CALLS ARE 95 CENTS A MINUTE**





# Sanders letter draws criticism

From page 4C

care about the well-being of Vermonters."

Sanders said he was insulted by Foote's characterization of the union movement as a "narrow ideological band."

Zoe Erdman, the state's deputy secretary of development and community affairs, expressed disappointment with the letter. She said the Smelling administration is working to reverse the perception that Vermont is a tough state in which to do business.

"These things don't help to change that perception," she said. "It is coun-

terproductive."

Erdman said the agency learned of the letter during a recent visit to companies in Windsor and Orange counties.

"If we'd known about it beforehand, we would have wanted to sit down with the Sanders people and talk about it and maybe say there is another way to go about this."

Sanders held his ground Wednesday. "I would disagree with anyone who suggests that unions are a detriment to doing business," he said.

Sanders said he would write similar letters for any other union that asked him to.

# MONEY

Thursday, July 4, 1991 ■ Business Editor: S. P. Kiernan, 660-1849

## Sanders letter draws heat

### Lawmaker backs union movement

By Michael Tighe  
The Associated Press

**MONTPELIER** — Rep. Bernard Sanders, I-Vt., has written a letter to Vermont businesses and activists endorsing a union "organizing blitz" that he says would boost the economy and the progressive political movement.

But business interests are miffed at the letter, saying it is counterproductive to economic development efforts and exemplifies Sanders' "fawning to a narrow ideological band of his constituency."

The letter, which is not on congressional stationery and contains Sanders' Burlington home address, was written June 8 on behalf of the United Electrical, Radio and Machine Workers of America. The union has 80,000 members nation-

wide and about 1,000 in Vermont, Vermont organizer Kimberly Lawson said.

The organizing drive of the Bennington-based chapter began June 24 and will continue through July 19. The letter, which was distributed to several hundred addresses, was paid for and mailed by the union, Lawson said.

The letter said overall union membership has dropped from about 25 percent of American workers during the 1950s to about 16 percent last year. The letter said people are working more hours for less pay, leaving them less money to spend.

"It is no accident that the decline in union membership has resulted in a decline in our overall standard of living," Sanders wrote. "We must build the unions back up."

Sanders said the drop in union membership has a direct link with the drop in this country's global economic status. He said workers in Japan, Germany and the Scandinavian countries earn more than

their U.S. counterparts and, as a result, their countries are prospering while this country is floundering.

"History has shown that a strong union movement means better wages and a better standard of living for everyone," Sanders wrote.

Sanders said his goal is also political. He said larger union memberships will mean greater weight behind such issues as national health care, a cleaner environment and more affordable housing.

But Peter Foote, president of Associated Industries of Vermont, said the letter is "an unprecedented and disturbing move" that reveals Sanders' "patently naive belief" about economic issues.



Bernard Sanders

In the lobbying group's June 28 newsletter, Foote wrote that Sanders' letter represents a special interest group at the expense of other Vermonters.

"In my view, this has crippled Rep. Sanders' ability to serve his entire constituency," Foote wrote. "What is in question as a result of Rep. Sanders' action is just how in touch he is with Vermont's business community."

Foote said Sanders' letter is a "slap in the face" to thousands of Vermont businesses.

Wednesday, Sanders disputed those arguments, saying he campaigned on the platform of helping working people, the poor, family farmers and the elderly.

"My involvement in this is consistent with what I've been doing my whole political life," Sanders said. "If I am being criticized for helping build a union movement in this state, it is by those corporate executives who are concerned about their own well-being and do not turn to SANDERS, 6C

### PEOPLE AT WORK

### IBM-Apple plan a union



AMERICAN FEDERATION  
OF LABOR AND CONGRESS  
OF INDUSTRIAL ORGANIZATIONS



Ex off

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June 26, 1991



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**TO:** State Federations Attending NCSL Meeting  
in Orlando, Florida

**FROM:** *Brian Leiss*, Office of State Government Liaison

**SUBJECT:** Hotel and Registration Fees

We understand that despite the postponement of the Chief Officers meeting several state federations will still be going to Orlando in August to attend the National Conference of State Legislatures annual meeting.

Unfortunately, we lost our block of rooms at the Grosvenor Hotel because of the low turnout. HOWEVER, we have arranged a room block at the Buena Vista Hotel which is right next to the Grosvenor and one of the NCSL meeting hotels. We have negotiated a room rate of \$105 per night (which is below the \$119 NCSL rate). Unless I hear otherwise, those who have made reservations through me will automatically be switched to the Buena Vista. Confirmation will come from the hotel directly to you. If any other state federations are interested, let me know. My phone number is 202/637-5282.

Through our membership in the State Issues Forum registration for the NCSL meeting will be at the public sector rate of \$235 instead of the usual \$460. I have enclosed a registration form for your convenience.

We are planning to host a luncheon for members of the AOL Labor Committee and have tentatively set it for Monday, August 12. More information will follow as details are firmed up.

Enclosure











## REGISTRATION

**REGISTRATION FEES**—All state legislators and legislative staff are invited to attend the NCSL Annual Meeting. The registration fees are:

State Legislator, legislative staff member	\$225	\$235	\$260
City, County, federal officials; university representatives and other public sector participants	\$225	\$235	\$260
Private sector participant	\$460	\$470	\$495
Foundation for State Legislatures	\$460	\$470	\$495
Daily fee for legislator, legislative staff member, or other governmental official	\$ 70	\$ 70	\$ 70
Daily fee for private sector	\$140	\$140	\$140
Spouse/personal guest or child (18 or over)	\$ 75	\$ 75	\$ 75
Child (under 18)	No fee		

**GENERAL REGISTRATION INFORMATION**—The registration fee for the first six categories listed above provides delegates with a packet of materials and admission to all program sessions, breakfasts, luncheons, and social events. Only registered individuals with badges may attend convention events. Children, spouses, or personal guests of a registrant need not register to share hotel accommodations but must register if they want to participate in the meetings, social events, meal functions, and scheduled guest tours.

**EARLY BIRD REGISTRATION**—Advance registrations qualify for the "Early Bird Special" discount fee if the preregistration form is received by NCSL no later than May 1, 1991.

**PREREGISTRATION**—To preregister, make sure your registration applications are received by NCSL no later than July 4, 1991. Do not mail or fax forms after July 4, 1991. Bring form to the Marriott World Center and register on-site. *Any applications received after July 4 cannot be processed and will be returned. NCSL will accept preregistrations faxed before July 4. The NCSL fax number is (303) 860-8057.*

**ONSITE REGISTRATION**—Those registering onsite must pay registration fees in full or present a voucher for payment at the registration desk. Onsite registration will begin on **Saturday, August 10, 1991** at the **Marriott World Center**.

**DAILY REGISTRATION—MUST BE PURCHASED ONSITE**—Covers admission to program sessions, luncheon or breakfast (if applicable), and any evening social event scheduled for the day the ticket is purchased. *Payment is required at time of purchase—NCSL cannot bill for daily registrations.*

**GUEST REGISTRATION**—The fee for spouse/personal guest or child 18 or over covers admission to evening social events, spouse/personal guest concurrent sessions, and plenary lunch on Tuesday and Thursday. *Please note: Personal guest is defined as "significant other" or immediate family member.*

The \$75 registration fee for preregistered spouses/personal guests must be paid in full by **July 4**. *If payment is not submitted, the spouse/personal guest preregistration automatically will be cancelled, and those individuals will be required to register and pay the \$75 fee onsite. NCSL cannot bill spouses and/or personal guests.*

**CANCELLATIONS/REFUND POLICY**—All cancellations must be in writing. Registration fees will be refunded minus a \$50 processing fee if such request is made *in writing* and is postmarked no later than **July 26, 1991**. If you fail to notify NCSL of your intent to cancel, or if you cancel after the July 4th postmark deadline, NCSL will refund only half of your registration fee(s). These 50% refunds will be made only to those individuals that notify NCSL *in writing* by **August 29, 1991**.

**SUBSTITUTIONS**—Allowed only on those registrations *paid in full*. After the **July 4, 1991** preregistration deadline date, NCSL will be unable to accept any replacements or substitutions of names for prepaid, registered individuals. **No onsite substitutions will be allowed.**

**EXHIBITOR REGISTRATION**—Exhibitors wanting to register for booth space and floor passes should call Lisa Sacarto in the Denver office.

## HOUSING

The NCSL Housing Bureau will serve as the reservation center for the 1991 Annual Meeting and will make hotel assignments in the order reservations are received.

## GENERAL HOUSING INFORMATION & POLICIES

1. The NCSL Housing Bureau will not process your reservation request unless you have registered for the 1991 Annual Meeting. Only registered attendees are eligible for hotel assignments at the special NCSL conference rate.

2. All housing/registration forms should be sent to:  
NCSL Housing/Registration Bureau  
P.O. Box 480303  
Denver, Colorado 80248

No requests for hotel reservations will be accepted by telephone. All requests must be submitted on this form or a photocopy of this form. Forms may be faxed to NCSL at (303) 860-8057. Hotels will not accept direct reservations for NCSL's room blocks and will honor the special convention rate only when the reservation is processed through the NCSL housing bureau. Rooms are non-commissionable to travel agents.

3. All hotels require an advance deposit to hold a room, equal to one-night's room charge. Do not include this deposit with your housing form to NCSL. Make payment directly with the hotel NCSL has confirmed for you. (See hotel matrix for additional information on acceptable method of payment required by each hotel). Do not send room deposits to NCSL; deal directly with the hotel.

4. If you want to change or cancel your hotel reservation prior to July 17, notify the NCSL housing bureau. Do not contact the hotel directly. After July 17, you should make your changes with the hotels. If you are a no-show, your first night's deposit will be forfeited according to each hotel's policy.

## INDIVIDUAL HOUSING

Individual reservation forms must be received by July 4, 1991. Any forms received after July 4 cannot be processed and will be returned with further instructions. Individuals wishing to stay at the same hotel should mail in their forms together along with a note stating their hotel choices.

## GROUP HOUSING /BLOCKS

Each state has been offered a block of rooms at Marriott's Orlando World Center, based on a percentage calculated from a state's average attendance at the past five annual meetings. No other blocks will be allowed at Marriott's Orlando World Center. A block coordinator has been assigned from each state to control that state's block of rooms. All other requests for group blocks should be submitted in writing to the NCSL housing bureau. There is no limit







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June 17, 1991

Mr. Joseph Faherty, President  
Massachusetts AFL-CIO  
8 Beacon Street - 3rd Floor  
Boston, MA 02108

Dear President Faherty:

The New York State AFL-CIO proudly announces the creation of our Industrial Division and its first annual conference, September 15-17, 1991, in Syracuse, New York. The theme "Buy American" reflects the need for us to support our brothers and sisters in everyday consumer decisions.

The conference will draw labor leaders and rank and file members from throughout New York State. A variety of workshops and keynote addresses including striker replacement, health care, buy American are scheduled for the 1 1/2 day program. In addition, union exhibitors have been invited to display their wares.

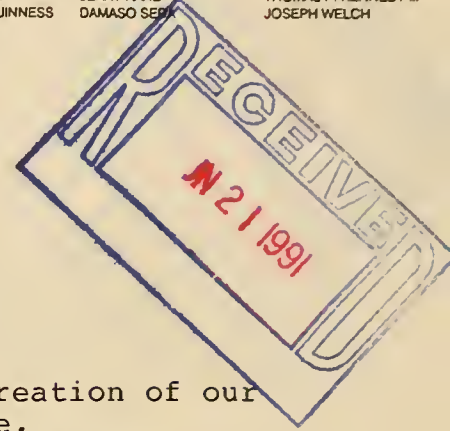
Since New York is one of a few states with an industrial division, we invite you to attend the conference and discuss division activities with participants.

On behalf of the division and its steering committee, I look forward to your attendance.

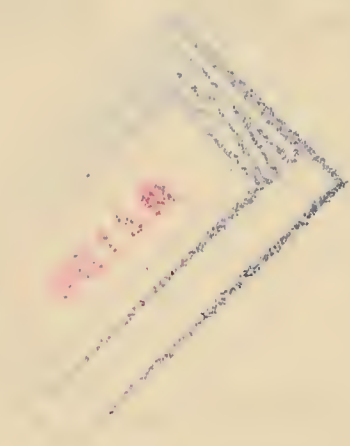
In unity,

*Edward J. Cleary*  
Edward J. Cleary  
President

EJC/KA/pk  
opeiu-153



*Table*





# Coalition of Labor Union Women

15 Union Square • New York, N.Y. 10003 • (212) 242-0700

July 9, 1991

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Executive Director  
Sandy Pope

Mr. Joseph Faherty, President  
Massachusetts AFL-CIO  
8 Beacon Street, 3rd Floor  
Boston, Massachusetts 02108

Dear Mr. Faherty,

The Coalition of Labor Union Women will be holding its Sixth Biennial Convention October 5-7, 1991 at the Pittsburgh Hilton and Towers, Pittsburgh, Pennsylvania. We will be celebrating 17 years of pursuing our goals of Organizing the Unorganized, Increasing Women's Participation in their unions, Affirmative Action and Political Legislative Action.

Your support of CLUW has always been most gratifying. We hope you will continue to support our goals by purchasing an ad in the CLUW Convention Souvenir Journal. The Journal will be distributed to individual unionists across the country as well as local and international unions, community leaders, civil rights and women's groups. The Journal is a great opportunity to tell working women that your organization supports the work of CLUW as well as promoting women's interests.

The Journal will be 8 1/2 x 11 inches. Prices for ads are:

Full page	\$500	Eighth page	\$125
Half page	300	Sponsor	50
Quarter page	175	Name only	10

Please complete the enclosed form and mail it along with payment for the ad and camera ready copy to:

CLUW Journal  
15 Union Square  
New York, NY 10003

Thank you in advance for your participation.

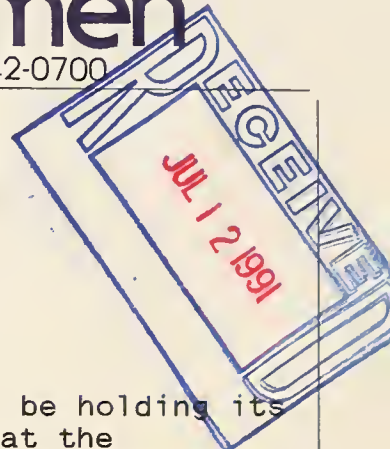
CLUW has been a leader in pursuing working women's rights. We will be pleased to have your support.

Sincerely,

*Joyce D. Miller*

Joyce D. Miller  
National President

*Table*



Sponsor

Quarter Page

Eighth Page

Full Page

Quarter Page

Half Page



University of Lowell

One University Avenue

Lowell, Massachusetts 01854

(617) 452-5000

Charley Richardson  
Technology and Work Program

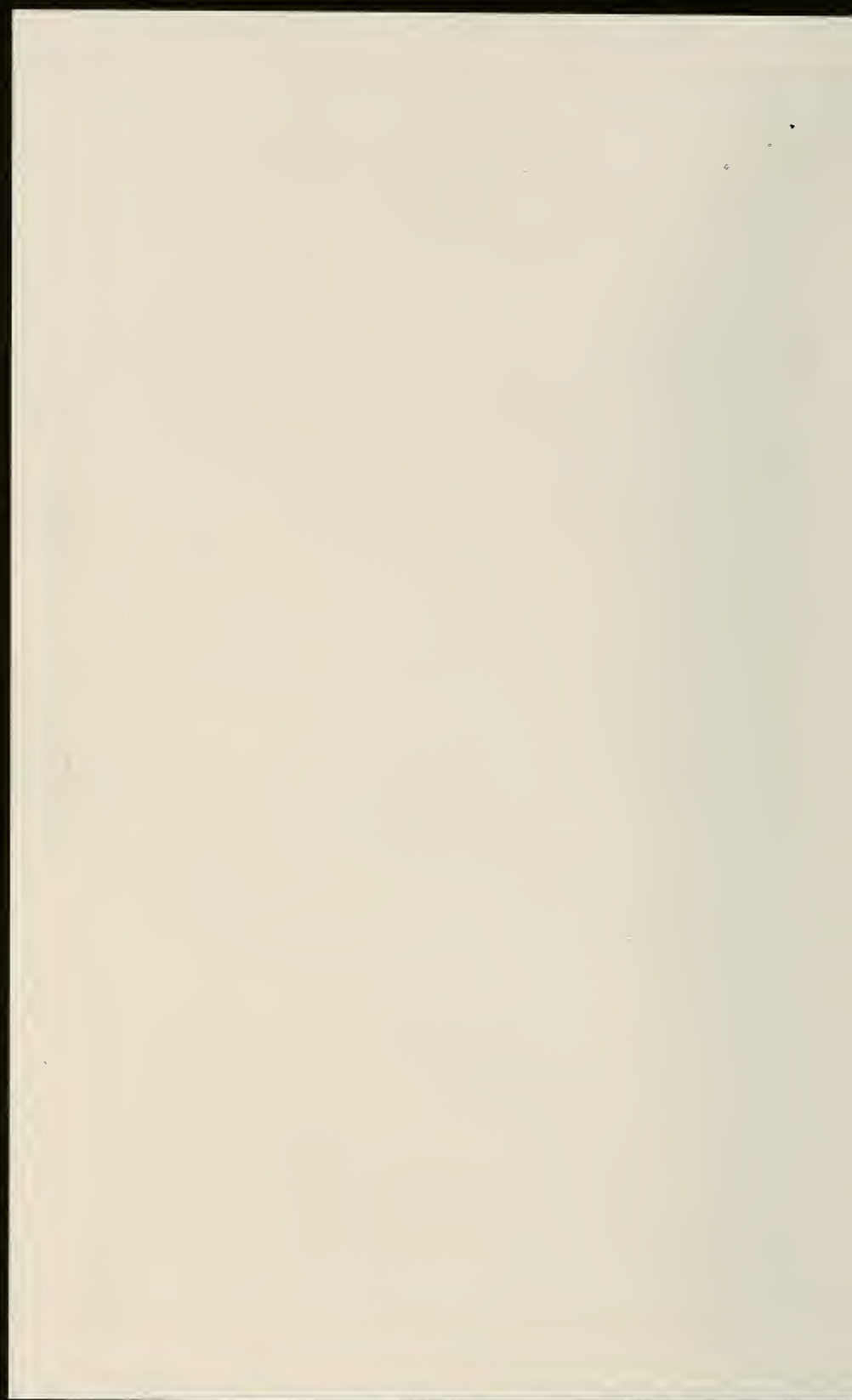
508-934-3266  
FAX 508-452-5711

Joe -

I came across this  
the other day. Seems like  
the recommendations of  
this task force could  
have a big impact on  
workers and unions.

Charley  
Richardson





ways and means on or before September first, nineteen hundred and ninety-one. Each such department shall submit reports on a quarterly basis thereafter to the house and senate committees on ways and means on their performance levels or service and outputs as estimated in the plan.

SECTION 75. There is hereby established a "Joint Government/Industry Task Force to Promote Economic Competitiveness and Innovation". Said task force shall have the duty and responsibility to study and identify state laws and regulations which may impede research, competitiveness, or hinder the innovation of Massachusetts employers. The study shall include, but not be limited to, the identification of statutes and regulations which are or may be duplicative of federal or local statutes, ordinances, by-laws or regulations, do not reflect changing technology or business practices, that contribute to or create excessive delays and costs related to business expansion, innovation or job growth, and/or generally impose conditions which might place Massachusetts businesses at a competitive disadvantage with businesses in other states.

The task force shall consist of the governor or his designee, who shall serve as chairman, the secretary of the executive office of economic affairs, the secretary of the executive office of environmental affairs, the secretary of the executive office of public safety, two members of the house, to be appointed by the speaker of the house of representatives, and two members of the senate, to be appointed by the president of the senate, and three members of the business community, one of whom shall be a representative of industrial manufacturers, one of whom shall be a representative of small business, and one of whom shall be a representative of the general business community, to be appointed by the governor.

The task force shall, on or before January first, nineteen hundred and ninety-two, prepare a report identifying the types of statutes and regulations previously listed. Said report shall include a recommended course of action for each statute or regulation identified. Said report shall include recommendations for legislative reform and regulations for regulatory reform. The governor shall file said legislation with the clerks of the house of representatives and the senate no later than January first, nineteen hundred and ninety-two.



## MEMBER AGENCIES

Alcoholism and Drug Abuse Association  
 Alzheimer's Assoc. of Eastern Mass.  
 American College of Emergency Physicians  
 American Diabetes Assoc. Mass. Affiliate, Inc.  
 American Lung Association of Mass.  
 American Red Cross, Northeast Region  
 Arthritis Foundation, Mass. Chapter, Inc.  
 Assoc. of Mass Homes for the Aging, Inc.  
 Asthma and Allergy Foundation of America  
 Bay State Health Care  
 Blue Cross and Blue Shield of Mass., Inc.  
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 Boston Guild for the Hard of Hearing  
 Burroughs-Wellcome Company  
 Delta Dental Plan of Massachusetts  
 DuPont Pharmaceuticals  
 Executive Office of Human Services Commonwealth of Mass.  
 Family Hair Care, Inc.  
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 Harvard Community Health Plan  
 Harvard University School of Public Health  
 Health Planning Council of Greater Boston  
 Hoechst-Roussel Pharmaceuticals, Inc.  
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 League of Women Voters of Massachusetts  
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 Lupus Foundation of America, Mass. Chapter  
 March of Dimes/Birth Defects Foundation  
 Mass. Ambulance Association  
 Mass. Assoc. Medical Technology  
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 Mass. Assoc. for Occupational Therapy  
 Mass. Assoc. of Community Health Agencies  
 Mass. Assoc. of Health Maintenance Organizations  
 Mass. Assoc. of Hospital Admitting Managers  
 Mass. Assoc. of Paraplegics, Inc.  
 Mass. Assoc. of Physician Assistants  
 Mass. Assoc. of Quality Assurance Professionals  
 Mass. Chapter Nat'l. Assoc. Soc. Workers  
 Mass. Chapter, American Physical Therapy Assoc.  
 Mass. Chapter, National Multiple Sclerosis Society  
 Mass. Chiropractic Society, Inc.  
 Mass. College of Pharmacy & Allied Health Sciences  
 Mass. Commission for the Deaf & Hard of Hearing  
 Mass. Consumer Health Educators Association  
 Mass. Dental Assistant's Association  
 Mass. Dental Hygienists Association  
 Mass. Dental Society  
 Mass. Department Mental Retardation  
 Mass. Department of Medical Security  
 Mass. Department of Mental Health  
 Mass. Department of Public Health  
 Mass. Department of Public Welfare  
 Mass. Developmental Disabilities Council  
 Mass. Dietetic Association  
 Mass. Easter Seal Society  
 Mass. Federation of Nursing Homes  
 Mass. Head Injury Association  
 Mass. Health and Educators Facilities Association  
 Mass. Health Data Consortium  
 Mass. Health Officers Association  
 Mass. Health Research Institute  
 Mass. Hospital Association, Inc.  
 Mass. League of Community Health Centers  
 Mass. Medical Group Management Association  
 Mass. Medical Record Association  
 Mass. Medical Society  
 Mass. Medical Society Auxiliary, Inc.  
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 Mass. Podiatric Medical Society  
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 Mass. Public Health Association  
 Mass. Rate Setting Commission  
 Mass. Rehabilitation Commission  
 Mass. Society Hospital Social Work Directors  
 Mass. Society of Eye Physicians & Surgeons  
 Mass. Society of Hospital Pharmacists  
 Mass. Society of Optometrists  
 Mass. Speech/Language/Hearing Association  
 Mass. State Pharmaceutical Association  
 Mental Health Corporations of MA., Inc.  
 Merrell-Dow Pharmaceuticals, Inc.  
 National Coalition for Cancer Survivorship  
 National Neurofibromatosis Foundation  
 New England College of Optometry  
 New England Dairy & Food Council  
 New England Hemophilia Association  
 Northeastern Univ., College of Pharm. & Allied Hlth.  
 Oostomy Association of Boston  
 Parke-Davis  
 The Medical Foundation, Inc.  
 The Sanitariums  
 The Upjohn Company  
 Tuberculosis Sclerosis Association of America  
 United States Office for Civil Rights  
 United Way of Massachusetts Bay

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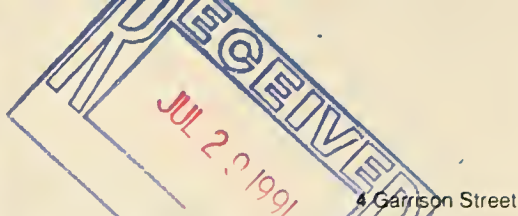
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## MASSACHUSETTS HEALTH COUNCIL, INC.



Chestnut Hill, MA 02167/617-965-3711

Charles L. Donahue, Jr., President  
 Susan H. Servais, Executive Director

July 22, 1991

Dear Friend:

The Massachusetts Health Council would like to offer you a terrific way to publicize your business or service at the our upcoming October 3, 1991 program, Managed Care - Opportunities and Risks. Louis Sullivan, M.D., Director, U.S. Department of Health and Human Services will be the Keynote Speaker.

We expect this luncheon meeting to be attended by scores of health care agency representatives, advocates, consumers, providers, and business and union leaders. An ad in the program booklet serves as an excellent opportunity for you to reach a broad audience and at the same time help the council defray the cost of the meeting.

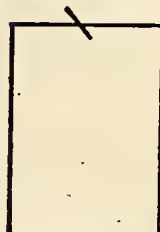
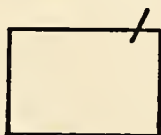
We greatly appreciate your consideration of this offer and look forward to hearing from you.

Sincerely,

*Susan*  
 Susan Servais  
 Executive Director

## SPACE

## RATES

 $4\frac{1}{2} \times 7\frac{1}{2}$  $4\frac{1}{2} \times 3\frac{1}{2}$  $2 \times 3\frac{1}{2}$ 

Outside Back Cover	\$ 200.00
(Full page only)	
Inside Back Cover	\$ 150.00
(Full page only)	
Full page	125.00
Half page	60.00
Quarter page	35.00

SPONSORSHIPS - please call the Council Office (617) 965-3711 for information about being a program sponsor.





**MASSACHUSETTS HEALTH COUNCIL, INC.  
SPONSORSHIP AND ADVERTISING ORDER FORM**

All reservations and ad copy must be received by Friday, September 13, 1991 for inclusion in the Program Booklet. Payment must accompany reservation form.

Send below order form, ad copy, and payment to:

Massachusetts Health Council  
4 Garrison Street  
Chestnut Hill, MA 02167

For questions or additional information, call Susan Servais (617) 965-3711

.....

**Sponsorship or Advertising Form**

Company/Organization Name \_\_\_\_\_

Contact Person \_\_\_\_\_

Address \_\_\_\_\_

Nature of Business \_\_\_\_\_ Phone (    ) \_\_\_\_\_

Ad Size (Please Check)

- ☐ Sponsor (please call the Council Office)
- ☐ Back Page Ad ( only one available, please call to reserve)
- ☐ Inside Back Cover ( only one available, please call to reserve)
- ☐ Full Page Ad
- ☐ Half Page Ad
- ☐ Quarter Page Ad

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AFL-CIO

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NORTH ANDOVER, MASSACHUSETTS 01845  
TELEPHONE  
(508) 374-8542 (508) 688-6038  
FAX (508) 688-4511

June 28, 1991

Mr. Joseph C. Faherty, President  
MASSACHUSETTS/A.F.L.- C.I.O.  
8 Beacon Street  
Boston, Massachusetts 02108

Dear Joe:

On Friday, August 2, 1991, Local 1365 C. W. A. will host its annual "GOLF CLASSIC." A "shotgun start" will commence at 7:30 A.M. at the Merrimack Golf Course, 210 Howe Street, Methuen, Mass. We sincerely hope your schedule will allow you to join us.

We will be holding a spot open for you as our guest, so please let us know at your earliest convenience whether or not you will be in attendance.

Looking forward to your favorable reply, I remain

Yours fraternally,

LOCAL 1365 C. W. A.

Joseph A. Belanger, President

JAB:jmh

DIRECTIONS FROM BOSTON: Take Interstate 93 North to the Route 213 Exit (Methuen, Salem, N.H.). Follow Route 213 to the Howe Street - Methuen Mall exit. Bear left at light at end of ramp. Go left at lights at intersection (Howe Street). Merrimack Golf Course is approximately 1 mile on left.





Ex off

HARVARD UNIVERSITY  
TRADE UNION PROGRAM

DR. ELAINE BERNARD  
*Executive Director*

17 DUNSTER STREET  
SUITE 205  
CAMBRIDGE, MA 02138  
(617) 495-9265

June 18, 1991

Dear President:

I am writing to invite you to send a leader or staff representative from your organization to the 1992 session of the Harvard Trade Union Program. I am enclosing a brochure and application form.

The Harvard Trade Union Program is an intensive, 10-week session designed to extend to trade union leaders the same advanced education that Harvard offers to executive-level individuals in business and government. It equips participants with the skills and practical tools essential for the management and leadership of their unions, and provides a unique opportunity for exploring the key issues of the labor movement in a rich academic and cultural environment away from the day-to-day pressures of work.

As you can see from our brochure, the Program's curriculum reflects the serious economic and political challenges and opportunities for union leaders and staff primarily from advanced industrial countries. In order to accomodate the needs of each individual participant, we limit enrollment to approximately 30 trade unionists per session and run only one session per year.

The dates for the next session are January 13 through March 20, 1992. We hope that your organization will be able to send a representative.

Please write me if you would like any further information, or if I can be of some assistance.

Sincerely,



Elaine Bernard  
Executive Director



HARVARD UNIVERSITY  
TRADE UNION PROGRAM

DR. ELAINE BERNARD  
*Executive Director*

17 DUNSTER STREET  
SUITE 205  
CAMBRIDGE, MA 02138  
(617) 495-9265

**CURRICULUM SUMMARY**

**80th SESSION of the HARVARD TRADE UNION PROGRAM**

**JANUARY 14th - MARCH 22rd 1991**

The Harvard Trade Union Program is an intensive 10-week session designed to extend to trade union leaders the same advance education that the University offers to executive-level individuals in business and government. It is designed to equip participants with the skills and practical tools essential for the management and leadership of their unions, as well as providing a unique opportunity to explore key issues for the labor movement in a rich academic and cultural environment away from the day to day pressures of work.

The curriculum is organized by an interdisciplinary team of Harvard faculty, and is built around a set of core courses supported by topical seminar series and other specially arranged sessions.

The curriculum is divided into three parts: Core Courses, Seminar Series and Special Topic Seminars. **Core Courses** are taught by a single instructor (or a pair of instructors in the case of Strategic Management) and consist of one or more seminars a week for the full 10 weeks of the program. One of the Core Courses: "Employee Relations Strategy," is taught jointly with the Harvard Graduate School of Business. In this course, participants in the Trade Union Program have the opportunity to work with second-year MBA's, who can enroll in the class for credit.

In addition to the Core Courses, there are three weekly **Seminar Series**: the Legal Issues Seminar, the Economics Issues Seminar, International Comparative Industrial Relations Seminar and the Collective Bargaining Seminar. These seminars provide an opportunity for participants to meet a variety of Harvard faculty and guests from neighboring universities to discuss selected topics in these fields. Finally, the program holds a weekly university-wide public forum, **THE LABOR AND WORKLIFE FORUM** featuring speakers from labor, business and the community discussing issues of importance to the labor movement.

A wide assortment of **Special Topic Seminars** are delivered throughout the 10-week program. These seminars feature exchanges with innovative practitioners and analysts in a variety of fields.

## **CORE COURSE**

Trade Union Administration and Governance  
Workers and Their Unions: U.S. Labor History  
Strategic Management of Trade Union Resources  
in a Changing Environment  
Public Sector Labor Relations  
Employee Relations Strategy  
Economic Analysis  
Arbitration

## **SEMINAR SERIES**

Legal Issues Seminar  
Economics Issues Seminar  
International Comparative Industrial Relations  
Collective Bargaining Seminar

## **SPECIAL TOPIC SEMINARS**

Dispute Settlement  
Economic Restructuring  
Education and Training  
Employee Ownership  
Labor and the Media  
Labor's Social Agenda  
New Technology  
Organizing  
Union Strategies for Transformed Industrial Relations

## **CORE COURSES**

### **TRADE UNION ADMINISTRATION AND GOVERNANCE**

Professor Emeritus, John T. Dunlop, Harvard University

### **WORKERS AND THEIR UNIONS: U.S. LABOR HISTORY**

Professor James Green, University of Massachusetts

### **STRATEGIC MANAGEMENT OF TRADE UNION RESOURCES IN A CHANGING ENVIRONMENT**

Professor Adam Klein, Harvard Graduate School of Business, and  
President, Klein and Co.  
Professor David Weil, Business Administration, Boston University

### **PUBLIC SECTOR LABOR RELATIONS**

Professor David Kuechle, Harvard Graduate School of Education

### **EMPLOYEE RELATIONS STRATEGY**

Professor Charles Heckscher, Harvard Graduate School of Business

### **ECONOMIC ANALYSIS**

Professor Frank McLaughlin, Boston College

### **ARBITRATION**

Arnold Zack, Arbitrator



## **SEMINAR SERIES**

### **LEGAL ISSUES SEMINAR SERIES**

Chaired by Paul Weiler, Professor, Harvard Law School

#### **"The Legal Framework of Union Organizing"**

Paul Weiler, Professor, Harvard Law School

#### **"Employment at Will"**

Lance Liebman, Professor, Harvard Law School

#### **"Fetal Risks vs. Womens' Rights in the Workplace"**

Debra Stone, Professor, Heller School, Brandeis University

#### **"QWL and Shopfloor Involvement"**

Tom Kohler, Professor, Boston College Law School

#### **"Union Involvement in the Corporate Boardroom"**

Michael Harper, Professor, Boston University Law School

#### **"Critical Reflections on Law"**

Duncan Kennedy, Professor, Harvard Law School

#### **"The Legal Framework for Union Security and Limitations on Labor Political Action"**

David Westfall, Professor, Harvard Law School

### **ECONOMIC ISSUES SEMINAR SERIES**

Chaired by Richard Freeman, Professor, Harvard Economics Dept.

#### **"What do Economists Do?"**

Richard Freeman, Professor, Harvard Economics Department

#### **"Blackboard Jingle: Skills, Education & the American Workforce"**

Robert Reich, Professor, Kennedy School of Government

#### **"The Decline of Leisure"**

Juliet Schor, Professor, Harvard Economics Dept.

#### **"What Do Bosses Do?"**

Stephen Marglin, Professor, Harvard Economics Dept.

#### **"US Trade Policy: Good Jobs at Good Wages"**

Rudiger Dornbusch, Professor, M.I.T. Economics Dept.

#### **"The Deficit"**

Benjamin Friedman, Professor, Harvard Economics Dept.

#### **"Who Really Pays for Mandated Employee Benefits?"**

Jonathan Gruber, Doctoral Candidate, Harvard Economics Dept.

#### **"The US Economy and the Recession"**

Martin Feldstein, Professor, Harvard Economics Dept.

#### **"Down and Out in North America"**

Maria Hanratty, Doctoral Candidate, Harvard Economics Dept.

#### **"The S & L Crisis"**

John Kenneth Galbraith, Professor Emeritus, Harvard

## **INTERNATIONAL COMPARATIVE INDUSTRIAL RELATIONS**

Chaired by Elaine Bernard, Executive Director, Harvard TUP

### **"Alternative Models of Trade Union Organization and Collective Bargaining: Drawing Lessons from Abroad"**

Michael Piore, Professor, Sloan School of Mgmt., M.I.T.

### **"Rising Wage Inequality? The US and Japan: An International Comparison"**

Lawrence Katz, Professor, Harvard Economics Dept.

### **"Industrial Restructuring and the Demise of the National Union in Italy"**

Richard Locke, Professor, Sloan School of Mgmt., M.I.T.

### **"Works Councils and Union Relations in Germany"**

Kirsten Wever, Professor, Business Adm., Northeastern University

### **"Divergent or Convergent Paths? Canadian and American Labor"**

Elaine Bernard, Executive Director, Harvard Trade Union Program

### **"US/Mexico Free Trade"**

John Womack, Professor, Harvard History Dept.

### **"Why the German Model of Trade Unions is No Model for the U.S."**

Charles Sabel, Professor, Political Science, M.I.T.

### **"Centralized Bargaining and the Welfare State Under Seige in Sweden"**

Andrew Martin, Professor, Harvard Center for European Studies

### **"Strengths and Weaknesses of Political Unionism in France"**

George Ross, Professor, Political Science, Brandeis University

## **LABOR AND WORKLIFE FORUM**

Chaired by Richard Freeman, Professor, Harvard Economics,  
and Paul Weiler, Professor, Harvard Law School

### **"Labor and Markets in Poland"**

Richard Freeman, Harvard Economics Dept and Tony Levitas, Harvard Center for European Studies

### **"Restructuring of the World Steel Industry"**

Lynn Williams, International President, United Steelworkers of America

Richard Walton, Professor, Harvard Graduate School of Business

### **"Legislating Equality in the Workplace"**

Randall Kennedy, Professor, Harvard Law School

### **"Lessons from the United Airlines Buyout Effort"**

Captain Rick Dubinsky, Air Line Pilots Association

Gene Keilin, Investment Banker, Keilin and Bloom

Joseph Blasi, Professor, Rutgers University

### **"New Directions in Labor Relations at Harvard University"**

John T. Dunlop, Professor Emeritus, Harvard University

Kris Rondeau, Organizer, Harvard Union of Clerical and Technical Employees

### **"Pensions & Public Policy: The Case of New York State"**

Lee Smith, ICC (Assistant to Governor Mario Cuomo)

Jack Sheinkman, President, Amalgamated Clothing and Textile Workers Union

## **SPECIAL TOPIC SEMINARS**

### **DISPUTE SETTLEMENT**

#### **"Arbitration Mediation"**

Debra Kolb, Professor Simmons College and  
Harvard Negotiations Project

#### **"Mutual Gains Bargaining: Getting to Yes"**

Lawrence Susskind, Professor, M.I.T. and  
Harvard Negotiations Project

#### **"Government Intervention in Affairs of Local Union"**

Linda Kaboolian, Kennedy School of Government

### **ECONOMIC RESTRUCTURING**

#### **"Corporate Restructuring and the Polarization of America: Part 1, A Historical Overview"**

Barry Bluestone, Professor, University of Massachusetts

#### **"Corporate Restructuring and the Polarization of America: Part 2, The Role of Unions in the Future"**

Barry Bluestone, Professor, University of Massachusetts

#### **"Corporate Restructuring and the Polarization of America: Part 3, The New Social Contract"**

Barry Bluestone, Professor, University of Massachusetts

### **EDUCATION AND TRAINING**

#### **"Education Programs for the Membership: The Study Circle Concept"**

Ed Cohen-Rosenthal, Special Assist. to the President for  
Education Programs, International Union of Bricklayers

#### **"The Massachusetts State Federation of Labor Education Outreach"**

Joseph Faherty, President, Massachusetts AFL/CIO  
Robert Haynes, Secretary-Treasurer, Mass. AFL/CIO

#### **"Why America Under-trains its Workers"**

Paul Osterman, Professor, Sloan School of Mgmt, M.I.T.

#### **"Labor Education for the 1990's"**

Dorothy Shields, Director of Education, AFL/CIO

### **EMPLOYEE OWNERSHIP**

#### **"Capital Strategies for Labor"**

Christopher Mackin, President, Ownership Associates

#### **"Introduction of Employee Ownership"**

Christopher Mackin, President, Ownership Associates

#### **"Working Models: Local Union Experience with Employee Ownership"**

Christopher Mackin, President, Ownership Associates



## **LABOR AND THE MEDIA**

### **"Manufacturing Consent: The Political Economy of the Media"**

Noam Chomsky, Professor of the Institute, M.I.T.

## **LABOR'S SOCIAL AGENDA**

### **"Labor's Political Strategy"**

Rochelle Horowitz, Political Action Director, American Federation of Teachers

### **"Health Screening in the Workplace"**

Ruth Hubbard, Professor, Harvard Biology Department

### **"Labor Leadership in the 1990's"**

William Lucy, Secretary-Treasurer, AFSCME

### **"Labor and the Environment"**

Tony Mazzocchi, Secretary-Treasurer OCAW

### **"Labor's Social Agenda"**

Audrey McLaughlin, Member of Parliament, Canada, and National Leader of the New Democratic Party of Canada

### **"Democracy in America"**

Joel Rogers, Professor, University of Wisconsin

### **"Science and Politics"**

George Wald, Professor Emeritus, Harvard University

### **"Social Movements in America: Towards a People's History"**

Howard Zinn, Professor Emeritus, Boston University

## **NEW TECHNOLOGY**

### **"Labor and New Technology"**

Elaine Bernard, Executive Director, Harvard Trade Union Program

### **"Worker Involvement in Design of New Technology"**

Frank Emspak, Center for Applied Technology

### **"New Strategies for Tech Change"**

Charlie Richardson, Program Director, University of Lowell

### **"Globalization of Work"**

Maria Luz Samper, Professor, University of Connecticut

## **ORGANIZING**

### **"Corporate Campaigns"**

Ron Baker, Assistant to the President,  
United Mineworkers of America Mineworkers

### **"Youth-to-Youth: A Union Strategy for the Next Generation"**

Christopher Carlough, Organizer, Sheetmetal Workers

### **"Occupational Health and Safety as an Organizing Issue"**

Nancy Lessin, Masscosh

### **"New Visions, New Unions"**

Meizhu Lui, President, AFSCME Local

### **"Organizing the Harvard Union of Clerical and Technical Workers"**

Kris Rondeau, Organizer, H.U.C.T.W.

Donene Williams, President, H.U.C.T.W.



## **UNION STRATEGIES FOR TRANSFORMED INDUSTRIAL RELATIONS**

### **"Lessons of the 1989 Nynex Strike"**

Myles Calvey, President, Local 2222 IBEW

Steve Early, Staff Representative, CWA

### **"Managing Transitions: The Case of Collective Bargaining"**

Ray Friedman, Professor, Harvard Graduate School of Business

### **"Introduction to the New Industrial Relations"**

Thomas Kochan, Professor, Sloan School of Management, M.I.T.

### **"On the Road to a New Industrial Relations"**

Thomas Kochan, Professor, Sloan School of Management, M.I.T.

## **HARVARD TRADE UNION PROGRAM ACADEMIC FACULTY 1991**

### **Harvard Business School:**

Assist. Prof. Raymond Friedman

Assist. Prof. Charles C. Heckscher

Lecturer Adam Klein

Prof. Richard Walton

### **Harvard Faculty of Arts and Science:**

Prof. Emeritus Ruth Hubbard

Prof. Martin Feldstein

Prof. Richard Freeman

Prof. Benjamin Friedman

Prof. Emeritus John Kenneth Galbraith

Prof. Lawrence Katz

Prof. Stephen Marglin

Senior Lecturer Andrew Martin

Assoc. Prof. Juliet Schor

Prof. Emeritus George Wald

Prof. John Womack

### **Harvard Graduate School of Education:**

Prof. David Kuechle

### **Harvard Kennedy School of Government:**

Prof. Emeritus John T. Dunlop

Lecturer Robert Reich

Lecturer Linda Kaboolian

### **Harvard Law School:**

Prof. Duncan Kennedy

Prof. Randall Kennedy

Prof. Lance Liebman

Prof. Paul C. Weiler

Prof. David Westfall

## **Other Core Faculty and Guests:**

Prof. Joseph Blasi (Rutgers University)  
Prof. Barry Bluestone (University of Massachusetts)  
Institute Prof. Noam Chomsky (M.I.T.)  
Prof. Rudi Dornbusch (M.I.T.)  
Prof. James Green (University of Massachusetts)  
Prof. Michael Harper (Boston University)  
Prof. Thomas Kochan (M.I.T.)  
Prof. Thomas Kohler (Boston College)  
Prof. Debra Kolb (Simmons College & Harvard Negotiation Project)  
Prof. Richard Locke (M.I.T.)  
Dr. Christopher Mackin (Ownership Associates)  
Prof. Frank McLaughlin (Boston College)  
Prof. Paul Osterman (M.I.T.)  
Prof. Michael Piore (M.I.T.)  
Prof. Joel Rogers (University of Wisconsin)  
Prof. George Ross (Brandeis University)  
Prof. Charles Sabel (M.I.T.)  
Prof. Maria Luz Samper (University of Connecticut)  
Prof. Debra Stone (Brandeis University)  
Prof. Lawrence Susskind (M.I.T. & Harvard Negotiation Project)  
Prof. David Weil (Boston University)  
Prof. Kirsten Wever (Northeastern University)  
Mr. Arnold Zack (arbitrator)  
Prof. Emeritus Howard Zinn (Boston University)

**Harvard University Trade Union Program**  
(please print)

NAME: (in full) \_\_\_\_\_ nickname: \_\_\_\_\_

HOME ADDRESS: \_\_\_\_\_  
street

\_\_\_\_\_ city or town \_\_\_\_\_ state \_\_\_\_\_ zip code \_\_\_\_\_ country

OFFICE ADDRESS: \_\_\_\_\_  
street

\_\_\_\_\_ city or town \_\_\_\_\_ state \_\_\_\_\_ zip code \_\_\_\_\_ country

TELEPHONE: \_\_\_\_\_  
home \_\_\_\_\_ office \_\_\_\_\_

DATE OF BIRTH: \_\_\_\_\_ SOCIAL SECURITY NO. \_\_\_\_\_ UNION AFFILIATION: \_\_\_\_\_

PRESENT UNION POSITION: \_\_\_\_\_ HOW LONG? \_\_\_\_\_

WHO WILL BE PAYING YOUR TUITION AND EXPENSES? (Sponsor) \_\_\_\_\_

SPONSOR'S ADDRESS: \_\_\_\_\_  
street

\_\_\_\_\_ city or town \_\_\_\_\_ state \_\_\_\_\_ zip code \_\_\_\_\_ country

PRESENT OCCUPATION: \_\_\_\_\_

PAST UNION AFFILIATION(S)/POSITION(S): (use separate sheet if necessary)

\_\_\_\_\_ union \_\_\_\_\_ from – to \_\_\_\_\_ position(s)

\_\_\_\_\_ union \_\_\_\_\_ from – to \_\_\_\_\_ position(s)

\_\_\_\_\_ union \_\_\_\_\_ from – to \_\_\_\_\_ position(s)

EDUCATIONAL EXPERIENCE: (please list all schools attended and use a separate sheet if necessary)

\_\_\_\_\_ school \_\_\_\_\_ location \_\_\_\_\_ dates \_\_\_\_\_ degree

\_\_\_\_\_ school \_\_\_\_\_ location \_\_\_\_\_ dates \_\_\_\_\_ degree

\_\_\_\_\_ school \_\_\_\_\_ location \_\_\_\_\_ dates \_\_\_\_\_ degree

PLEASE INDICATE ANY OTHER EXPERIENCE THAT YOU THINK MAY BE RELEVANT:

\_\_\_\_\_  
\_\_\_\_\_

PLEASE INDICATE COMMUNITY ACTIVITIES AND/OR OTHER ORGANIZATION AFFILIATIONS:  
(use separate sheet if necessary)

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OTHER PERSONAL INTERESTS:

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PLEASE ANSWER THE FOLLOWING QUESTION ON A SEPARATE SHEET OF PAPER. PUT YOUR NAME  
IN THE UPPER RIGHT HAND CORNER OF EACH PAGE AND RETURN IT WITH YOUR COMPLETED  
APPLICATION.

1. Please describe how the Harvard University Trade Union Program can be most helpful to your development  
as a union leader. Your goals for your union or the union movement are of particular interest. Please describe  
how the Harvard Trade Union Program will enable you to build on your prior experience and your goals.

What topics would you like to see covered in the program? (please list in order of importance)

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DO YOU SMOKE? YES NO (circle one)

DO YOU WANT A SMOKING OR NONSMOKING APARTMENT MATE? (circle one)

PLEASE INDICATE HOW YOU HEARD ABOUT THE HARVARD TRADE UNION PROGRAM:

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signature

date

Please return this completed application form and your answer to Question 1 to:

Harvard University  
Trade Union Program  
17 Dunster Street, Suite 205  
Cambridge, MA 02138  
(617) 495-9265





Ex 8/8

[postmarked June 18, 1991]

# DOHERTY

## FOR MAYOR

(617) 323-3537

I believe it is appropriate that Ray Flynn has received the endorsement of Dominic Bozzotto. Mr. Bozzotto walked away from the trade union movement last year when he embraced Barbara Anderson and worked for the passage of Question 3.

Mayor Flynn's willingness to attend a meeting with Mr. Bozzotto and accept this endorsement in person indicates that he, like President Bozzotto, is out of step with the trade union movement in Boston.

As a candidate for Mayor, I will campaign vigorously for the support of individual members of Local 26; however, I am proud not to have the endorsement of their President.



# ДОКЛАД

## О РАБОТЕ

В течение отчетного периода работы по заданию были выполнены в соответствии с планом. Основные результаты работы следующие:

1. Проведены исследования в области [тематика].

2. Получены следующие данные:

- [данные]
- [данные]
- [данные]

3. Анализ полученных данных показал, что [результаты].

4. Выводы: [выводы].



# Hotel union backs Flynn for mayor

By PHIL PRIMACK

Boston Hotel Workers Local 26 President Domenic Bozzotto endorsed the not-yet-official re-election bid of Mayor Raymond L. Flynn yesterday, backing Flynn over longtime union supporter the Rev. Graylan Ellis-Hagler, an announced candidate.

"This is not a case of us picking between two friends," said Bozzotto, who called Ellis-Hagler "the spiritual leader of this union."

"The issue is, does Mayor Flynn deserve to be re-elected? The answer is a resounding yes," said Bozzotto, whose recent political forays have been mainly on behalf of Republican candidates and their causes.

Flynn, who has been backed in past campaigns by Local 26, accepted the endorsement at a meeting of the local's committee planning this fall's hotel contract battle.

"Local 26 is what this city is really all about — hard-working men and women providing for their families and building our neighborhoods," Flynn said.

Ellis-Hagler said he expected Bozzotto's move, but still anticipates support from Local 26's rank-and-file.

"We have struggled together and wept together and celebrated together," he said. "Local 26 will be with us when we move on to victory."







# OFFICE & PROFESSIONAL EMPLOYEES

INTERNATIONAL UNION — LOCAL NO. 320

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS  
AND CANADIAN LABOUR CONGRESS

P.O. Box 9023  
Riverside, MO 64168  
Phone: (816) 478-3665

June 24, 1991

Dear Labor and Civic Leaders:

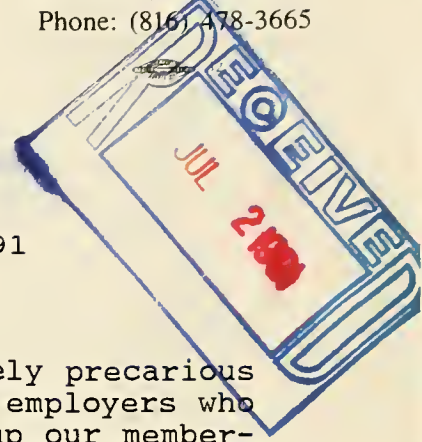
Our local union is currently involved in an extremely precarious labor dispute. It's difficult enough to deal with employers who try to use the divide and conquer tactic to break up our memberships, but when the employer is an **International Union** it takes on a different meaning. We're well aware of the fact that problems can occur within any organization, however, the situation here has become so revengeful that we feel it needs to be brought to the surface.

The employees at the **International Brotherhood of Boilermakers** have been represented by Office & Professional Employees International Union for many, many years. While the relationship hasn't always been perfect, the members have enjoyed good conditions and benefits. Now we're faced with an International leadership that has displayed more animosity than any in the past. They've repeatedly violated the National Labor Relations Act, and continue to wage an internal campaign to decertify OPEIU as the bargaining agent.

We have few alternatives. We're currently working without a contract because they've refused to extend the May 31, 1991 termination date. **A strike would mean instant replacement of those who honor a picket line.** Federal mediation has helped, but we're still being faced with their demands for concessions. We're not at impasse, but we're convinced that they have little reason to want to get an agreement. **Instead, they want a decertification election to be held.**

Our only alternative may be involvement from other labor and civic leaders who still believe in the philosophy that workers should be treated with dignity and respect instead of threats and harassment. We'd be very appreciative if you would take the time to write to **Charles Jones, President of the Boilermakers International Union** and to **Jerry Willburn, the International Secretary-Treasurer.** Let them know that we should all be involved in the struggle to make unions stronger, not cause destruction by way of elimination of their own employees' rights.

Organized labor can only be as strong as its weakest link. **To stand by and let this type of activity occur from within will only cause more degradation to try to overcome.** Only in solidarity will we be able to achieve our goals. If we can't depend on your support, the cause of working people everywhere will mean nothing.



We've begun hearing from many of our locals across the country and find that this activity is not just coming from the Boilermakers in Kansas City. One local writes, "The Business Manager (for the Boilermakers Local) has decimated our bargaining unit by a phony layoff of two of three, replacing them with Boilermaker members, and repulsing our demands to bargain or grieve the layoff. Several Unfair Labor Practices have been filed."

Another sent us a copy of an NLRB's ruling that one Boilermaker's local had fired an employee because of her union activities and because she resorted to the Board's processes. Others have told us that their members have been encouraged to drop their OPEIU membership and join the Boilermakers.

This type of activity should not be instigated by an International Union and should never be tolerated by other AFL-CIO affiliates. **PLEASE HELP US SEE THAT THESE INJUSTICES ARE STOPPED.**

Write to the International Brotherhood of Boilermakers, 753 State Avenue, Kansas City, Kansas 66101, to let them know that their tactics are a disgrace to organized labor.

We're grateful for any support you can offer.

Fraternally,

A handwritten signature in cursive script that reads "Jan Mammen".

Jan Mammen, Business Manager  
OPEIU, Local #320

jm/opeiu 320  
aflcio-clc





## OFFICE & PROFESSIONAL EMPLOYEES

INTERNATIONAL UNION — LOCAL NO. 320

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS  
AND CANADIAN LABOUR CONGRESS

P.O. Box 9023  
Riverside, MO 64168  
Phone: (816) 478-3665

 32

TO: ALL MEMBERS OF THE BOILERMAKERS INTERNATIONAL UNION

FROM: MEMBERS OF OPEIU AT THE INTERNATIONAL HEADQUARTERS

It is with concern and hesitation that we have decided to bring this matter to your attention. However, as all of you know, a Union's responsibility is to do whatever it can to protect the members.

SCAB is a word all of us in organized labor have used to define those individuals who want all the benefits a contract has to offer, yet don't want to assist in the financial obligation. Right now, **your own International Union is fostering many such employees and, in fact has persuaded and encouraged such action right in the Brotherhood's offices.** I'm certain International's representatives have directed you to rid your construction sites and bargaining units of these "creatures." In fact, many of you probably even refuse to work with SCABS. These people at the Brotherhood have been allowed to promote their activities using the International's resources and on company time. **YOUR DUES MONEY IS GOING TO PAY THESE SCABS' SALARIES AND BENEFITS. YOUR DUES MONEY WILL ALSO PAY FOR THESE SCABS TO ATTEND YOUR INTERNATIONAL CONVENTION IN LAS VEGAS. NOT ONE UNION MEMBER HAS BEEN SELECTED TO ATTEND.** Naturally, there are some employees who are excluded from the bargaining unit and are not required to be full dues-paying members of OPEIU. However, those employees have always been encouraged by former leaders of the Boilermakers to support OPEIU by being associate members. Now, even those employees have been instructed to withdraw their support.

We know for a fact that many of you had no idea that this type of activity has been going on at the International. Naturally, your leadership has been trying to hide the real facts from you. The problems really began when OPEIU filed a discrimination grievance on behalf of a minority employee. After our Union investigated the situation, we withdrew the grievance, but the employee pursued her **legal rights** and filed a charge at the EEOC. Because of her action, we believe that the President and Secretary-Treasurer of the Brotherhood have a vendetta against OPEIU and will go to great lengths to eliminate us from the picture. It is my understanding that EEOC is still investigating the fact that this member has suffered many instances of retaliation against her because she pursued this action. As of June 13, her employment was terminated with the Brotherhood because of alleged "poor performance." The Union has repeatedly asked for proof of this allegation, yet we've been denied any.

Ironically, this termination came directly after the NLRB ruled on behalf of OPEIU for several unfair labor practices which were filed against the Brotherhood. **In the very near future, NLRB**

Notices to Employees will be posted in all of the Brotherhood's International Offices wherein the Board has found that the International Union's Representatives have violated the ACT by:

THREATS THAT IT WILL NOT BARGAIN WITH THE OPEIU  
INTERFERENCE WITH THE ENFORCEMENT OF THE CONTRACT  
INTERROGATION OF EMPLOYEES ABOUT UNION SENTIMENTS  
RESTRICTION OF EMPLOYEES' ACTIVITIES IN THE OFFICE  
DEMOTION OF UNION REPRESENTATIVE  
ENCOURAGEMENT TO WITHDRAW SUPPORT FROM THE UNION

These are actions that many of you see from the employers you have contact with. BUT SHOULD THIS BE PROPER CONDUCT FOR ELECTED OFFICIALS OF AN INTERNATIONAL UNION TOWARD THEIR OWN EMPLOYEES? In addition to these charges, other charges have been appealed to the NLRB General Counsel and new charges have been brought as the officers continue their harassment and revenge on our local and its members.

Our collective bargaining agreement expired on May 31, 1991 and Mr. Willburn has refused to agree to an extension. Meanwhile, contract negotiations, even with the involvement of a federal mediator, have been extremely tense. OPEIU is trying to maintain the benefits we've had in the agreement for many years. In reading the Boilermakers' newspapers, President Charles Jones claims that retaining members' benefits is a priority for all of you. However, the International has insisted that our members make concessions that they would never encourage you to make. At the forefront of these concessions is health care. Willburn tells us that at some point in time, employees may be expected to pay for a share of their health care premiums. WE'RE NOT OPPOSED TO SHARING IN THE COST, IF IT BECOMES NECESSARY, BUT WE WANT TO KNOW HOW MUCH WE'LL BE EXPECTED TO PAY AND WHEN IT MAY BEGIN. WILLBURN REFUSES TO AGREE TO ANY LANGUAGE THAT GIVES US AN OPTION. IN FACT, HE WANTS US TO SIGN A BLANK CHECK - LEFT ENTIRELY UP TO MANAGEMENT'S DISCRETION AS TO WHAT THE EMPLOYEES WILL BE REQUIRED TO PAY. WOULD ANY OF YOU SIGN AN AGREEMENT THAT SAID THE EMPLOYER COULD MAKE YOU PAY ANY AMOUNT - WITHOUT EVEN SO MUCH AS A LIMIT OR CAP?

This benefit is important to all of the employees, even the ones who have refused to pay union dues. The SCABS are willing to TRUST management when they say they'll take care of them. Jerry Willburn has told us to TRUST HIM. Would you trust an employer who intimidates and threatens employees; an employer who won't put his promises in writing; an international union who would promote a decertification campaign among his own employees, and who would tell them that they would be better off if they belonged to the Boilermakers? WHAT BARGAINING POWER DO YOU HAVE IF YOU BELONG TO THE COMPANY UNION?

Our members are frustrated but determined not to give up without a fight. We'll continue to file grievances and charges at the NLRB just as long as Willburn keeps up the harassment. Needless to say, it is costing your International Union thousands of dollars to defend the actions of a few representatives. We intend to keep negotiating with Willburn for as long as it takes



to reach an agreement that our members will ratify. Your own system of "Stay In And Fight" will also work for us because we know that we're also fighting for the members of the Boilermakers Union who believe as we do, that everyone deserves to be treated with dignity and respect. We recently signed a new three year agreement with the Boilermaker National Funds. None of the union-busting tactics we've seen at the International existed during the negotiations. That employer's representatives treat our members with high regard and the result was a contract that is beneficial to both sides.

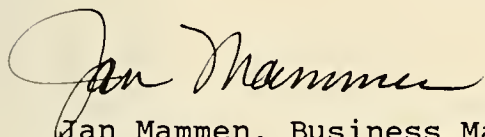
It appears that some people have forgotten from whence they came and that they should set an example for other employers to follow. The management representatives of the companies where your members work are certain to take heed of the International's actions and throw these things right back at you during bargaining. What will be your response when they tell you that your own International Union tells its employees that they must pay the full amount of health care premiums so that should be good enough for you? What will be your response when the SCABS you represent tell you, 'If its good enough for your International Union, its good enough for me'?

We ask that you show your support for all working men and women by notifying the International Officers that your dues money should be spent to promote the idea of collective bargaining and fair treatment and not to support union-busting. Our members plan to do informational picketing during your convention. We know this won't be popular with your officers, but it may be the only way we can bring our message home.

WE WILL NOT ACCEPT BEING HARASSED AND INTIMIDATED FOR OUR UNION SUPPORT - WE WANT A FAIR CONTRACT - ONE WITH GUARANTEES - AND WE WANT TO KEEP OUR OWN UNION INTACT. Please let us know that you, too, will support us by sending us letters of encouragement and by planning to march the picket line with us in Las Vegas on August 11.

The OPEIU members are not being disloyal to the International Brotherhood. In fact, these members have been more loyal to the philosophy that there should be a balance between labor-management relations than the Boilermakers. We've not been radical with our demands or our actions. The informational picketing we've done has "embarassed" your leadership. But that's the idea behind it, for if they were doing things the way they should, they wouldn't feel embarassed. We hope you'll understand our position and that you'll ask your leaders to deal with us fairly again.

Fraternally,



Jan Mammen, Business Manager  
OPEIU, Local #320



Cindy Cosner, Steward  
Boilermakers International

jm/opeiu 320

cc: Lane Kirkland, President, AFL-CIO  
Thomas Donahue, Sec. Treas., AFL-CIO  
John Kelly, President, OPEIU  
AFL-CIO Regional and Staff Directors and Assistants  
Trade & Industrial Department Presidents  
AFL-CIO Affiliated Union Presidents  
State Federation Presidents  
Central Labor Councils  
Joyce Miller, CLUW  
Religious Committee for Workplace Fairness

6-24-91

Ms. Mary BYRNE  
PO Box 2596  
Quincy MA  
02269

EX-11

AFL-CIO  
8 Beacon St.  
Boston, MA

Re: News Bulletin

Gentlemen,

Last year I read an article  
(I believe) published in your Bulletin  
regarding the use of many  
contractors - sub-contractors.  
for construction projects.

Enclosed is a preliminary  
sketch of a business venture.  
"Olympic Pavilion - International  
Exhibition" Pleasure Dome of  
the 21<sup>st</sup> Century.

I submitted sketch to Boston  
City Hall & received letter that  
it was to be submitted to City  
for Boston Harbor Redevelopment.

Would your staff writer be  
interested in discussing this  
for a future article. I think  
this might generate interest  
as many contractors, laborers, etc  
would be employed.

Thanking you for courtesy in  
responding to inquiry and  
anticipating an appointment to  
discuss same, I am

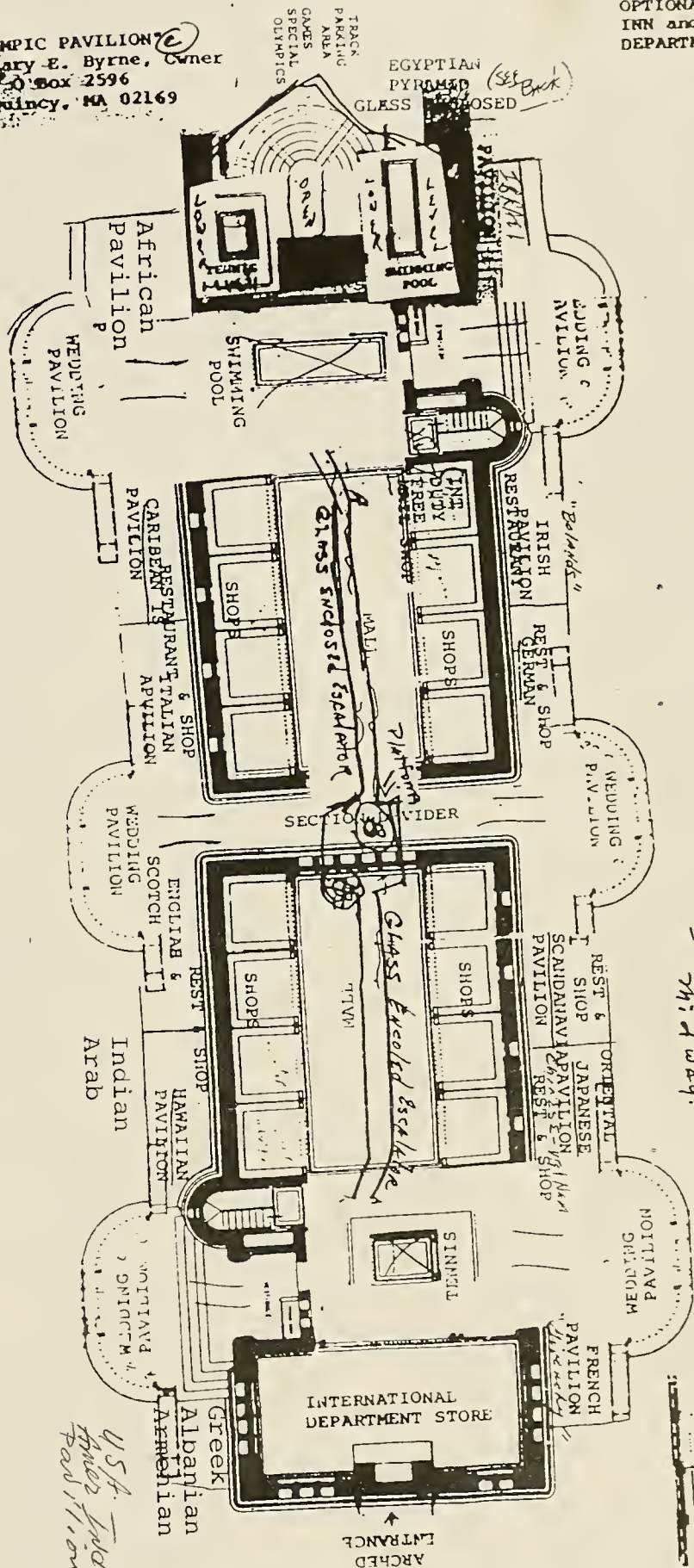
Sincerely yours  
M. Byrne



OPTIONAL  
INN and  
DEPARTMENT STORE

*See inside for  
Sketch*

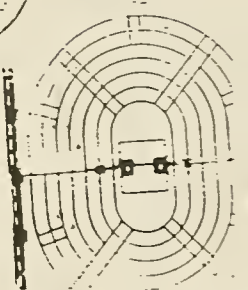
"OLYMPIC PAVILION"  
Mary E. Byrne, Owner  
P.O. Box 2596  
Quincy, MA 02169



PARKING AREA

*Approx. 1/2 mi. S  
of  
A. enclosed Glass  
enclosed Pavilion  
OVER HEAD.  
B. Platform -  
Midway.*

TRACK  
PARKING  
AREA  
GAMES  
SPECIAL  
OLYMPICS



*Each Pavilion  
Take Out Bar  
on Mall*

*(5) Table  
+ Chairs*

*Take  
Out Bar*

*(5) (5) (5) (5) (5)  
Dining  
Wedding  
Shop.*

*Mall*

PARKING AREA

*U.S. - French Center  
International Pavilion  
Olympic Pavilion*

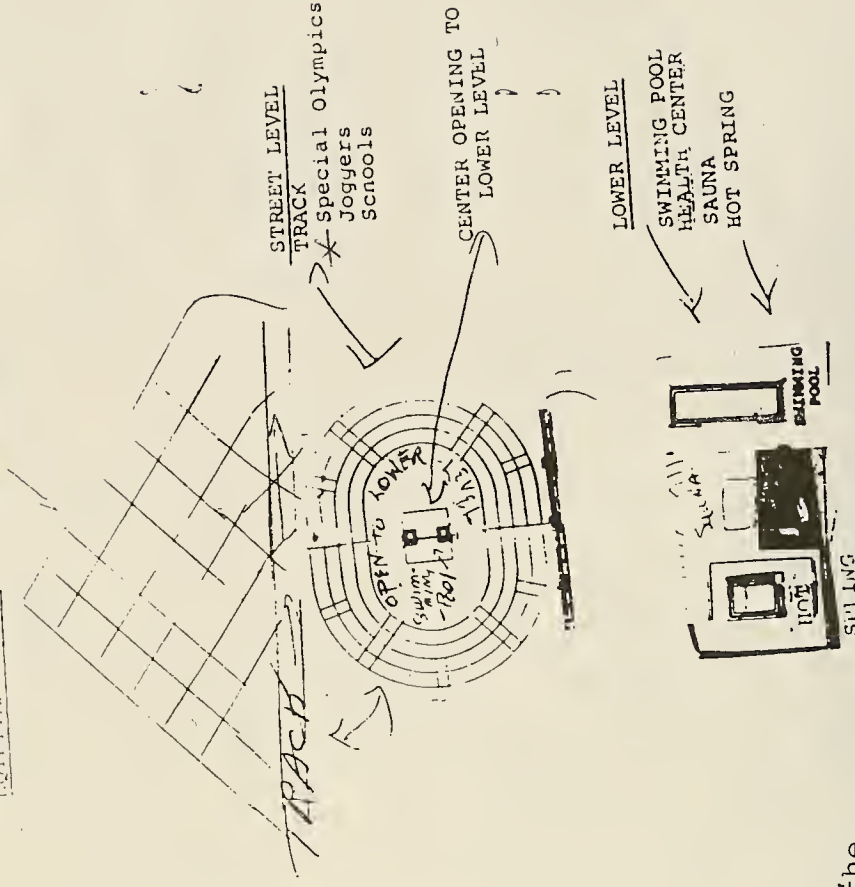
*U.S. - French  
Pavilion*

# FUNDING

- possibility of State/City Redevelopment Programs, use to Special Olympics
- Need Scale Model and Construction Estimates to submit to State Officials.
- \* - Ethnic Minority Sub-Contractors for each Pavilion.

*Interior Decorator -*  
*APPARENTS - Painters, Plasterers,*

EXHIBITION PYRAMID - Enclosed Glass



*Correlated Business*  
*Cable TV - Programs - International Food,*  
*Plants, - Drinking,*  
*Magazine - International Feature articles,*  
*News Bulletin -*

PHOENIX, AZ. - good location due to population expansion based on future statistics.

*Ethnic Group Funding*  
Hibernian Bank, Boston expressed interest in financing.

Also submitted to the Boston Harbor Redevelopment.

OLYMPIC PAVILION - International Shopping Center, comprised of International Restaurants and Specialty Shops, to be sold as condominiums.

WALL AREA - includes swimming pool, tennis courts, for Sports Events, Special Olympic Groups, College-School Lunches, Functions, Civic Events, Business Seminars, Meetings, Musical Fashion Shows, Womens and Mens Banquets, Theatrical, Musical and Dance Recitals, etc.

ROUNDING PAVILIONS - Ethnocentric International Motifs for Weddings, Bridal Showers, Baby Christenings, etc. Additional Food and Music.

SHOPS - International Flower Shop, Beauty Salon, Duty Free Mail Shop, Shoe Shop, Travel, etc. International Currency Exchange, Health Salon. International Food, Produce Shop.

INN - (OPTIONAL) focus on International Motif for each room; different decor.

*Birch - Asplatic Gardens - Enclosed*  
*Educational*  
*Plants - Ethnic Groups*

OVERHEAD TRANSPORTATION MODE.  
VIEW OF PAVILIONS  
Glass Enclosed Escalator.  
TRAM RIDE similar to the Alpine Ride at Disneyland



# UNION INVESTORS ASSET MANAGEMENT COMPANY



INVESTMENT ADVISORS

BOSTON  
MASSACHUSETTS





**UNION INVESTORS  
ASSET MANAGEMENT COMPANY**

Presentation  
To The Executive Board  
Of The

**MASSACHUSETTS/AFL-CIO**

August 1, 1991

UNION INVESTORS ASSET MANAGEMENT COMPANY  
Robert P. Caccia, President & CEO  
Mary Jane Cullinan, CFA, Senior Vice President

Boston  
Massachusetts



# **UNION INVESTORS**

## **ASSET MANAGEMENT COMPANY**

### **EXPERTISE**

- o Competent and knowledgeable of the specific needs and requirements of Taft-Hartley clients.
- o Investment managers skilled in the stock, bond and world markets.
- o Investment professionals have over 150 years total experience.

### **INVESTMENT MANAGEMENT GOALS**

- o Preservation of capital.
- o Superior rates of return on managed assets over each market cycle.
- o Total return to be consistent with each client's objectives and risk tolerance.

### **INVESTMENT PHILOSOPHY**

- o Our investment style is flexible and responsive to changing market conditions.
- o Our equity and fixed income selection process is disciplined and oriented to recognize value.
- o Our investment disciplines minimize capital losses and maximize capital returns.
- o Our investment decisions focus on change and seek to profit from it.
- o Our investment approach is geared to produce high returns at low levels of risk.





## MANAGEMENT

- o Senior management supervises all accounts.
- o Each account is assigned a primary and backup manager.
- o Each manager is totally involved in the investment decision process.
- o A closely knit, experienced, and highly motivated team:
  - Provides continuity of style
  - Insures adherence to philosophy
  - Eliminates single manager prejudices
  - Executes decisions promptly
  - Focuses on ideas and significant changes
  - Monitors the fulfillment of client objectives
  - Delivers the best investment and product for clients

## UNION SPECIALIZATION

- o Socially responsible and labor sensitive investment management.

Targeted toward companies and goals of unions, without sacrificing the financial performance of the fund. For example:

- Companies conducting fair labor practices
- Companies providing equal opportunities
- Companies producing and marketing safe products
- Companies with a positive ecological commitment
- No investments in South Africa



**o Strict adherence to the AFL-CIO boycott list.**

Union Investors supports the views of the AFL-CIO that the boycott list is comprised of companies whose securities should never be found in any labor union portfolio.

**o Investment objectives.**

Union Investors will develop investment objectives that are realistic, achievable, and measurable, for the future success of your fund.

Union Investors recognizes that we are in business because of our clients. Each day we do all we can to continue to earn the trust of our clients.

## **UNION INVESTORS ASSET MANAGEMENT COMPANY**

**A Division of Scimitar North American Asset Management, Inc.**

**Specializing in the investment management of union funds.**





# **PERFORMANCE**

**UNION INVESTORS**  
**ASSET MANAGEMENT COMPANY**



## UNION INVESTORS ASSET MANAGEMENT COMPANY

### Performance Results and Comparison

	1985 -----	1986 -----	1987 -----	1988 -----	1989 -----	1990 -----	Through 6/30/91 -----	Annualized -----
<b>Union Investors</b>								
Equities	--	24.1%	6.5%	14.0%	34.3%	-2.4%	16.9%	16.4%
Fixed Income	24.5%	18.3%	2.2%	6.9%	14.6%	9.2%	4.9%	12.2%
Balanced (70% Equity / 30% Fixed)	--	21.8%	4.8%	11.2%	26.4%	2.2%	13.3%	14.2%
<b>Comparative Indices</b>								
S&P 500	--	18.8%	5.2%	16.5%	31.5%	-3.1%	14.3%	14.6%
Lehman Bond Index	21.3%	15.6%	2.3%	7.6%	14.2%	8.3%	4.3%	11.2%
Composite (70% S&P500 / 30% Lehman)	--	17.5%	6.2%	12.9%	24.6%	1.5%	11.3%	13.2%





# **UNION INVESTORS ASSET MANAGEMENT COMPANY**

## **Important Facts About Union Investors Asset Management Company**

Union Investors Asset Management Company (Union Investors), a division of Scimitar North American Asset Management, Inc. was formed to provide specialized investment management services to Taft-Hartley clients in the U.S.A., Canada and other labor groups throughout the world. The unique association of Union Investors and Scimitar will bring a broad investment capability to the investment process.

The investment professionals at Union Investors have many years of experience in managing Taft-Hartley funds and understand the unique requirements and goals that are important to Union funds.

Union Investors brings together the personal services of an experienced local firm and the investment resources of an international organization through its affiliated offices. A traditional value-oriented investment approach is used as Union Investors seeks to manage and grow its client's assets.

## **INVESTMENT PROFESSIONALS**

The Boston staff of eight investment professionals has, in the aggregate, over 150 years of proven investment expertise. The Union Investors team consists of experienced professionals who share the common view that a global investment perspective will enhance the performance of the domestic funds.

## **INVESTMENT PHILOSOPHY**

Union Investors investment philosophy is to achieve long-term growth of capital for its clients. This is accomplished by preservation of capital in unfavorable markets and the realization of capital appreciation during periods of expansion.

Union Investors investment policies are a reflection of its investment philosophy. The initial step begins with a thorough top-down analysis of the major economic, political and market trends affecting the investment climate. These trends are continuously monitored, supplementing local research efforts with input from Scimitar's worldwide offices.

This global approach to formulating overall investment policy makes Union Investors unique and is one of its greatest strengths.



## **ACTIVE MANAGEMENT**

Union Investors engages in active management. In selecting securities to implement its investment philosophy, the investment committee employs economic, fundamental and technical research in identifying a diversified group of quality, value-oriented equity and fixed income instruments. Clients' portfolios are constructed from these policies in line with their stated objectives.

Investment policy is formally reviewed weekly. Managers continuously monitor the portfolios, ensuring that each account maintains the guidelines of the investment committee as to proper asset allocation and individual security selection. Each portfolio is evaluated regularly by a separate review committee to ensure consistency between the portfolio's structure and the client's investment objectives.

Union Investors management style is risk-averse, yet timely in approach to take advantage of investment opportunities. The constant monitoring of market risk enables portfolios to achieve consistent results throughout the market cycle.

## **EQUITY INVESTMENT STYLE**

Union Investors employs a traditional, value-oriented approach to investing. Value is identified by first using a top-down approach in the analysis of economic, political and market trends. Union Investors philosophy is global in scope as it relates to domestic equity selections.

Union Investors has its own proprietary valuation techniques for common stock selection. The majority of stocks that Union Investors selects are medium to large capitalization companies. Selections represent issues that have consistent growth, appropriate leverage and a management that is responsive to both shareholders and social values. Union Investors global scope uncovers those U.S. companies that have a growing commitment to international business.

The number of stocks held in a portfolio depends, in large part, on the client's objectives. In general, a single stock commitment will be between 2-4% of the total equity commitment meaning the average portfolio would hold 20-25 stocks when fully invested.

Union Investors maintains a well-defined sell discipline to reduce or eliminate an equity position when its price objective is reached or if the investment committee anticipates significant downside market volatility.

## **FIXED INCOME STYLE**

Union Investors actively manages its fixed income assets to suit a variety of client objectives. Funds management can vary from portfolios which are structured to meet specific needs such as a regular cash flow stream to those with longer term objectives such as pension funds. Market sectors such as Treasuries, Agencies, Corporates and Tax-Free credits are used to accomplish this style.



The fixed income decision-making process begins with a top-down approach using economic research to forecast changes and direction of inflation and interest rates. Principal emphasis is placed on active maturity allocation between cash instruments and the intermediate or long sectors. Fixed income instruments are considered to be a source of capital gains, and in accordance with our overall investment philosophy, great emphasis is placed on preserving capital.

A client's objectives will dictate a portfolio's fixed income structure, but generally most include a high quality bond portfolio, weighted toward Treasuries, Agencies and Corporates with a quality rating of BBB/Baa or better; and a one-to-twenty-year maturity range, with the average maturity usually between 3-12 years depending on interest rate forecasts and spreads.

## THE DECISION-MAKING PROCESS

The decision-making process is a consistent and disciplined approach throughout the organization that uses the various resources available in both the domestic and international markets.

Union Investors investment committee develops its domestic strategy utilizing this global perspective. Weekly meetings are held to ensure prompt and consistent reviews, making change recommendations when necessary.

Using the investment committee's strategy, policy and security recommendations, each portfolio manager is responsible for applying this approach to the portfolio within the guidelines of the client's stated objectives.

Each month in a committee review, and quarterly in a formal review with written reports, the account review committee examines a manager's accounts for consistency of firm policy and client objectives. Such factors as asset allocation, sector weightings and security selection are reviewed in the context of the portfolio's objectives, and suggestions are made where appropriate.

## CLIENT COMMUNICATION

Clients who invest with Union Investors benefit not only from professional portfolio management, but also from the highly personal account service. Union Investors emphasizes ongoing client communication in order to enhance the relationship and to remain sensitive to the client's investment objectives.

Each quarter Union Investors sends a detailed portfolio appraisal reflecting the account's progress over the previous quarter. The following is the standard report schedule:

Quarterly - written evaluation portfolio and performance reports as well as an assesment of economic trends for future investing.

Client

Meeting - quarterly, semi-annually or as the client requests.





Security transactions are executed using brokerage firms selected on the basis of their financial stability, commission structure, transaction efficiency and quality of research.

In addition, the client's portfolio manager will send reports that are of general investment interest or have particular pertinence to the client's investments.

## **ADDITIONAL NOTES**

Union Investors Asset Management Company is a division of Scimitar North American Asset Management, Inc. and the Boston office of the international firm, Scimitar Asset Management, Ltd., the investment arm of the Standard Chartered Bank, PLC.

Standard Chartered Bank is one of Britain's leading international banks with assets in excess of \$40 billion and offices in over 50 countries. Standard Chartered created Scimitar Asset Management, Ltd., to better serve its investment clients in an era of the globalization of the financial markets. Scimitar has offices in Boston, London, Hong Kong, Singapore, Geneva, Jersey, and Isle of Man.

Currently, Union Investors/Scimitar manage nearly \$2.5 billion worldwide who advise a number of institutional clients on investments in the international markets. These include Taft-Hartley funds, religious and charitable endowments, public pension funds, captive insurance portfolios, U.S. corporate pension funds captive insurance portfolios and pension funds in Europe, Canada, and the Far East.



**SUMMARY  
OF  
KEY  
PERSONNEL**

**UNION INVESTORS**  
**ASSET MANAGEMENT COMPANY**





## **ROBERT P. CACCIA, SR.**

PRESIDENT - UNION INVESTORS ASSET MANAGEMENT COMPANY  
EXECUTIVE VICE PRESIDENT - SCIMITAR N.A. ASSET MANAGEMENT, INC.  
CHAIRMAN - MARKETING COMMITTEE  
MEMBER - EXECUTIVE, INVESTMENT COMMITTEES

### Professional Background

1990 - Present	Union Investors Asset Management Co.
1990 - Present	Scimitar North American Asset Management, Inc.
1988 - 1990	Fort Hill Union Management Company Chief Executive Officer and Portfolio Manager
1981 - 1990	Fort Hill Investors Management Corp. Senior Vice President
1961 - 1981	Shawmut Bank of Boston, N.A. Senior Pension Trust Officer

### Education

Williams College-School of Banking, Investment Banking Degree, 1971  
Northeastern University and New York State Banker's Trust School, selective courses in  
Investments and Employee Benefit  
USAF, Accounting and Finance Degree, 1961

### Other Associations

International Foundation of Employee Benefit Plans, Inc.  
Chairman Corporate Membership Committee, Museum of Science, Boston, MA  
Board of Directors and Trustee, Arts and Science Center, Nashua, NH  
Educational Conference Health, Welfare & Pension Plans, Inc.



## **ERIC H. JOSTROM**

CHIEF INVESTMENT OFFICER - UNION INVESTORS ASSET MANAGEMENT COMPANY  
PRESIDENT, CEO - SCIMITAR N.A. ASSET MANAGEMENT, INC.  
DIRECTOR - SCIMITAR ASSET MANAGEMENT, LTD. - UK  
CHAIRMAN - EXECUTIVE COMMITTEE  
MEMBER - INVESTMENT, MANAGEMENT, CLIENT REVIEW COMMITTEES

### Professional Background

1990 - Present	Union Investors Asset Management Co.
1987 - Present	Scimitar North American Asset Management, Inc.
1987 - 1988	Constitution Management Company, Inc. Registered Investment Advisor
1970 - 1987	Eaton Vance Management Co.

### Education

Babson College, B.S. Finance and Investments, 1963  
Babson College, Selected courses in business management

### Other Associations

Boston Security Analysts Society  
Boston Economic Club  
Director Essex County Gas Company  
Trustee Essex County Gas Company Employee Pension Plan  
Corporator Perkins School for the Blind  
Corporator Waring School  
Member Investment Committee of the Goddard House (charitable elder care facility)  
Commander U.S. Naval Reserve



**GARY K. BELCHER, CFA**

SENIOR VICE PRESIDENT, PORTFOLIO MANAGER AND SECURITY ANALYST  
MEMBER - INVESTMENT COMMITTEE

Professional Background

1990 - Present	Union Investors Asset Management Co.
1990 - Present	Scimitar North American Asset Management, Inc.
1988 - 1990	Fort Hill Union Management Company
1982 - 1990	Fort Hill Investors Management Corp. Senior Vice President Portfolio Manager

Education

Babson College, B.S. Finance and Investments, 1982  
Babson College, M.B.A., 1988

Other Associations

Institute of Chartered Financial Analysts  
Boston Security Analysts Society  
Financial Analysts Federation  
International Foundation of Employee Benefit Plans, Inc.  
Educational Conference of Health, Welfare & Pension Plans, Inc., New York





## MARY JANE CULLINAN, CFA

SENIOR VICE PRESIDENT, PORTFOLIO MANAGER  
FIXED INCOME MANAGER  
CHAIRMAN - FIXED INCOME COMMITTEE  
VICE CHAIRMAN - INVESTMENT COMMITTEE

### Professional Background

1990 - Present	Union Investors Asset Management Co.
1990 - Present	Scimitar North American Asset Management, Inc.
1988 - 1990	Fort Hill Union Management Company
1980 - 1990	Fort Hill Investors Management Corp. Senior Vice President Portfolio Manager
1977 - 1978	Essex Investment Management Company Administrative Assistant
1976 - 1977	Endowment Management and Research Administrative Assistant

### Education

Vassar College, B.A. Psychology, 1975  
Suffolk University, Selected Courses in Economics

### Other Associations

Institute of Chartered Financial Analysts  
Boston Security Analysts Society  
Financial Analysts Federation  
Educational Conference of Health, Welfare & Pension Plans, Inc., New York  
International Foundation of Employee Benefit Plans, Inc.



## **BRUCE E. BALDING**

SENIOR VICE PRESIDENT, PORTFOLIO MANAGER  
MEMBER - EXECUTIVE, INVESTMENT, ACCOUNT REVIEW COMMITTEES

### Professional Background

1990 - Present	Union Investors Asset Management Co.
1990 - Present	Scimitar North American Asset Management, Inc.
1985 - Present	Balding and Company President
1972 - 1985	Controlled Equities, Inc. President
1970 - 1971	Van Cleef, Jordan & Wood President

### Education

Harvard University, B.A., 1953  
Harvard University, M.A., 1954

### Other Associations

Association for Investment Management and Research  
New York Security Analysts Society  
Director, Vice President National Institute of Social Sciences  
Trustee Davis and Elkins College





## **STEPHEN T. HIBBARD**

SENIOR VICE PRESIDENT, PORTFOLIO MANAGER

MEMBER - FIXED INCOME COMMITTEE

RESPONSIBLE FOR TAX-EXEMPT ISSUES

MEMBER - MANAGEMENT, INVESTMENT, ACCOUNT REVIEW COMMITTEES

### Professional Experience

1990 - Present	Union Investors Asset Management Co.
1988 - Present	Scimitar North American Asset Management, Inc.
1980 - 1988	Bank of Boston Investment Banking
1978 - 1980	Bache Halsey Stuart Municipal Bond Account Executive
1976 - 1978	White Weld Municipal Bond Account Executive
1972 - 1976	Loomis Sayles Portfolio Manager

### Education

Washington and Lee, B.A. Sociology, 1965

### Other Associations

Boston Securities Analysts Society  
Boston Municipal Bond Club  
Association For Investment Management and Research  
Director Benevolent Fraternity of Unitarian Churches  
Member United States Coast Guard Auxiliary



**PATRICIA A. BRUNO**

VICE PRESIDENT  
MEMBER - INVESTMENT RESEARCH COMMITTEE

Professional Background

1990 - Present	Union Investors Asset Management Co.
1989 - Present	Scimitar North American Asset Management, Inc.
1982 - 1989	Essex Investment Management Company, Inc.

Education

Trinity College, Washington, D.C., B.A. Economics, 1980  
Boston University, M.B.A. Candidate



## **STEPHEN P. HUGHES**

**VICE PRESIDENT**

**CHIEF ECONOMIST AND STRATEGIST AND DIRECTOR, SCIMITAR, LTD.**

### Professional Experience

1990 - Present	Union Investors Asset Management Co.
1989 - Present	Scimitar North American Asset Management, Inc.
1986 - Present	Scimitar Asset Management, Ltd. Chief Economist and Strategist
1982 - 1986	Crown Agents Investment Department Financial Economist
1976 - 1982	Henley Centre for Forecasting Chief Economist in charge of UK Forecasts

### Education

University of Warwick, B.A. Economics, 1972

Awarded the "FORD" Prize in 1972

University of Bristol, M.S. Quantitative Economics, 1985





## **SHARI MEANOR**

VICE PRESIDENT

MEMBER - MANAGEMENT COMMITTEE

### Professional Background

1990 - Present	Union Investors Asset Management Co.
1987 - Present	Scimitar North American Asset Management, Inc.
1984 - 1987	Eaton Vance Corp.

### Education

University of Miami, B.B.A., Marketing, 1980  
Creighton University, M.B.A., 1982



## **RICHARD J. ZACCARO**

VICE PRESIDENT

MEMBER - MARKETING COMMITTEE

MEMBER - MANAGEMENT COMMITTEE

### Professional Background

1991 - Present	Union Investors Asset Management Co.
1991 - Present	Scimitar North American Asset Management, Inc.
1987 - 1990	Commonwealth of Massachusetts, State Treasurers' Office
	Chief of Pension Investment Operations
1985 - 1986	Director of Internal Controls and Auditing
1980 - 1984	Director of Cash Management
1976 - 1979	Department of Public Welfare
	Supervisor, Bank Reconciliation Unit

### Education

Suffolk University, B.S. Economics, 1975

University of Massachusetts, Government School of Management Course, 1985

### Other Associations

Government Finance Officers' Association

Chairman, Brockton Cable Television Advisory Committee

Coach & former Vice President, Brockton West Little League





## KAREN HONEYWELL

DIRECTOR OF MARKETING  
MEMBER - MARKETING COMMITTEE

### Professional Experience

1990 - Present	Union Investors Asset Management Co.
1988 - Present	Scimitar North American Asset Management, Inc.
1979 - 1988	Fidelity Investments
	Group Product Manager
	Fidelity Institutional Services Co.
	Account Officer
	Fidelity Brokerage Co.
	Manager, Retail Sales
	Fidelity Distributors Corp.
	Registered Representative
1976 - 1979	Gifford School
	Secondary Education Teacher

### Education

Glassboro State College, NJ, B.A. Liberal Arts, 1974  
University of Copenhagen, one-year exchange program  
Lesley College, M.E.D., 1976



## ALISON B. ELLSWORTH

SENIOR MARKETING MANAGER  
MEMBER - MARKETING COMMITTEE

### Professional Experience

1990 - Present	Union Investors Asset Management Co.
1990 - Present	Scimitar North American Asset Management, Inc.
1987 - 1990	Fort Hill Investors Management Corp. Operations Manager
1981 - 1986	Stratus Computer, Inc.

### Education

Simmons College, B.A. Finance and Economics, 1987



**NANCY G. WRIGHT**

ACCOUNT RELATIONS MANAGER  
MEMBER - MANAGEMENT COMMITTEE

Professional Experience

1990 - Present	Union Investors Asset Management Co.
1988 - Present	Scimitar North American Asset Management, Inc.
1985 - 1988	Bank of Boston Senior Administrative Associate
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# SCIMITAR

## Investment Bulletin

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### Main Points & Summary

**LONGER TERM TRENDS STILL FAVOURABLE.** The longer term trend in interest rates is still downward. The July 1 reduction in the Bank of Japan's discount rate will be followed by another cut before the year end with further cuts in 1992. There is also limited scope for interest rate cuts in parts of Europe later this year. This favourable trend in interest rates argues for above average levels of commitment to markets and for below average cash positions.

**ECONOMIC UPSWING — FAVOURS EQUITIES OVER BONDS.** Although Japan will slow significantly after the 11% pa + growth rate reported for Q1, the US will recover in the second half. We predict 4% pa growth for Q3 and Q4. If Europe is viewed as bloc, the contractionary phase should be completed by the year end. A tepid recovery is forecast for 1992. Together these projections imply some acceleration in world economic activity over the next 6-12 months. This argues for a preference for equities over bonds — especially in the US.

**THE US DOLLAR — STAY OVERWEIGHT.** We still believe that the US dollar should be overweighted but the case for the US unit is not as strong as when it was 15% lower. With a US recovery about to get under way and European economies still in a contractionary phase, interest rate expectations should favour the dollar. We continue to believe that an overweight position in dollars should be at the expense of European currencies. The yen has broadly held its own against the dollar so far this year and we expect this pattern to continue.

**JAPAN — FURTHER GAINS IN THE SECOND HALF.** Although political and market factors — rather than economic ones — may have dictated the timing of the latest cut in the Bank of Japan's discount rate, economic developments will still justify further reductions in Japanese interest rates over the next 12 to 18 months. The equity market will start to anticipate this in the forthcoming quarter. We have revised our Japanese equity forecasts downwards but still expect to see the Nikkei Dow index trading above 30,000 in the first half of 1992.

**EUROPE — STAY UNDERWEIGHT.** Although certain European assets — most obviously German equities — had a strong recovery in the second quarter, we would still be underweight in Europe. Economic activity is still slowing. Also, there is plenty of scope for unfavourable developments in East Germany and, more generally, in Eastern Europe. Given the slack economic outlook we tend to favour bonds over equities in Europe (whereas the opposite is true in the US). Our favoured bond markets are France and the ECU market. With regard to equities, we favour the UK (on valuation grounds) and Germany. German corporate earnings should be boosted by expenditures associated with East German reconstruction. Also, many German industrial firms will benefit from a strong dollar.

**OTHER PACIFIC BASIN — GO FOR THE MAJOR MARKETS.** We remain committed to the smaller Asian stock markets for the long term. Moreover, as world economic growth accelerates, Australia should also do well. Of the Asian markets, we are emphasising Hong Kong, Singapore and Malaysia. Hong Kong is our favourite and we see recent weakness as providing an opportunity to add to weightings. By contrast, we have cut exposure to the less established Asian stock markets.

### Equity Market Strategy — Scimitar's Target Weightings

Worldwide Fund	%	European Fund	%	Pacific Basin Fund	%
North America	40	UK	11	Japan	28
Japan	20	France	22	Hong Kong	25
Other Pacific Basin	20	Germany	23	Singapore/Malaysia	20
Europe	15	Holland	10	Australia/NZ	12
Cash	5	Switzerland	12		
		Spain	10	Other	10
		Other	7	Cash	5
		Cash	5		

Managed Fund	%	Asian Smaller Markets Fund	%
Cash & Fixed Interest	20	Hong Kong	45
Equities — North America	35	Singapore/Malaysia	35
— Europe	15	Thailand	10
— Japan	20	Other	5
— Other Pacific Basin	10	Cash	5

## Equity Markets — North America

In a poor month for equity markets generally, the broadly based US Standard and Poors Composite index fell 4.8%. It did so in circumstances of a weakening bond market and a strengthening US dollar as investors looked forward to an economic recovery with increasing confidence. In these circumstances capital goods stocks — eg Ingersoll Rand, Illinois Tool Works — outperformed. Some basic materials stocks — eg International Paper — also did well. Towards the month end, the Wells Fargo announcement of a \$350m increase in loan provisions in respect of HLT business hit the banking sector. The oil service sector was another notably poor performer. In a falling market, a number of laggard sectors held their ground and thus outperformed — eg telephone utilities, international oils. Gold stocks also did well — American Barrick outperformed the broader market by over 12%.

Recently published economic statistics suggest the economy has now moved out of recession. Industrial production rose 0.3% in April and 0.5% in May boosted by some recovery in durable goods orders (which were slashed in the first quarter. Other sectors — notably construction — are still in decline. (With the real estate overhang, recent falls in interest rates have not so far managed to promote a significant recovery in residential construction. Meanwhile commercial construction is in steep decline). As is consistent with the general pattern of turning points, the initial phase of recovery in industrial production is still

associated with rising unemployment. After a 'rogue' decline in the unemployment rate reported for April (6.6%), a 6.9% rate was reported for May. A further increase is widely expected. Although May figures for both the PPI (+0.6% for finished goods) and the CPI (+0.3%) showed larger increases than the previous months, the longer term trend in inflation is still a falling one.

We continue to expect a weak recovery from the recession due to the indebtedness of the consumer and many corporations and the lack of scope for fiscal expansion. However the weakness may not be apparent for some quarters. As inventory reductions figured quite strongly in the recession — at least at the distribution level — a reversal could boost GNP growth quite significantly (to say 4% pa) in the second half. In these circumstances, the bond market will probably continue to weaken putting pressure on the valuation of the equity market. In these circumstances we would be underweight in high multiple sectors with predictable earnings — eg drugs and in bond market sensitive sectors. Set against this we are overweight in cyclical sectors (eg transportation and capital goods (ex technology). We are near market weight in utilities and energy.

## Equity Markets — Europe

European markets retreated in June, with Germany falling 4.8% in own currency terms, France 3.6% and the UK 3.4%. For a US dollar investor the losses were magnified by the relative weakness of European currencies; the MSCI Europe index (dollar

terms) fell 8.6% over June, underperforming the world index which lost 6.4%. On a common currency basis, Europe has underperformed world equity markets by some 10% since mid — 1990.

In international equity portfolios we continue to adopt an underweight stance towards the European stock markets. In broad terms, the economic background is relatively unfavourable. Growth is slowing, giving little prospect of earnings-led rallies in equities. Nevertheless, real interest rates remain high — 5-6% at the short end — and yield curves are generally inverted. This interest rate climate prolongs the squeeze on business activity and especially investment; it also creates direct valuation pressure on equities and bonds. While German inflation and public borrowing remain a threat, real rates will have to stay high, so that markets cannot look for short-term support from this source. In this context there seems little to push European stocks higher over the next few months, and we would have a bias towards bonds in most markets.

In Germany, the signs of a slowdown are still only tentative. A strong first quarter GNP report (up 2.3% on Q4 1990) caused many commentators to upgrade their 1991 forecasts. We still look for a weaker second half, with growth of perhaps 1.5-2% annualised, but the slackening is unlikely to have much effect on inflation before next year. An excess liquidity 'overhang' from unification, rising wage settlements, high capacity utilisation and a stronger dollar all point to continued inflationary pressure, and we therefore see a significant probability of a further rise in German rates. This prospect is likely to hold back German equities in the near term. The



arguments for German equities look further out. The first signs of consolidation in eastern Germany should come through by the year end. This will allow the market to anticipate both a peak in the funding burden and a flow of profits to German companies. Investors will be looking for rates to fall next year as the pressures on inflation subside. Thus, although the summer may continue to be marked by market caution, we are using market weakness to accumulate German stocks.

UK equities have underperformed European markets as a whole (in common currency terms) since April, having outperformed for the previous twelve months. The UK economy remains weak and, while we expect the recession to hit bottom by the end of the year, the recovery is set to be feeble. Investors are therefore reluctant to push the market higher on the prospects of better earnings. Meanwhile interest rate cuts are being delayed by sterling weakness and by political calculation (as the authorities attempt to save up rate cuts for a pre-election period). This combination means that the lacklustre performance of the London market is unlikely to improve over the short term. However, we can envisage a rally taking place later this year. Further interest rate cuts will occur as inflation falls under the pressure of a weak economy. There is scope for a bounce in company profits next year — even within a weak growth environment — as the benefits of cost-cutting and deleveraging come through. Given the relative cheapness of UK stocks against bonds, these prospects argue for a greater equity bias in UK asset allocation than in other European markets.

## Equity Markets — Japan

The Tokyo stock market was the weakest of all the major markets in June. The broadly based Tokyo Stock Exchange index fell 7.4% over the month. (However owing to the strength of the yen, the Japanese market slightly outperformed some European markets on a common currency comparison.) In the face of an acute liquidity squeeze, investor sentiment deteriorated steadily through the month. First the Tankan and the first quarter GNP estimate (+2.7% pa) pointed to continuing strength in the economy and seemed to imply a further postponement of the long awaited ODR cut. Second, evidence came to light that the major securities houses have been supporting favoured clients in periods of market decline. Also it appears that brokerage houses have purchased memberships in golf clubs with criminal links. These revelations prompted the resignation of the presidents of both Nomura and Nikko securities. Some commentators have linked the surprise cut in the Bank of Japan's discount rate on July 1 to the subsequent market sell off.

There has been a very pronounced sector pattern to the stock market's weakness in the second quarter. With the bond market falling back, as continuing momentum in the economy was confirmed, interest rate sensitive sectors of the market — eg real estate and railways — have underperformed. So also have cyclical stocks such as paper and pulp, rubber and steels. Set against this, non cyclical growth companies — eg foods, retailers — have outperformed. So have oils,

utilities and exchange rate sensitive sectors such as electronics and electrical equipment.

First quarter GNP growth is now estimated at 2.7% or over 11%pa. A number of "one-off" factors boosted the growth rate — eg inventory building by oil companies and the Gulf war which discouraged foreign travel and thereby boosted consumer spending at home. Perhaps these factors may have inflated the growth rate by 0.5% (or 2% pa). Bearing this in mind, as well as the fact that seasonal influences are not well captured by the statistics, our view that the economy is slowing probably implies a marginally negative figure for GNP in the second quarter. We expect a 5% pa growth rate in the first half of 1991 falling to a 3% pa rate in the second half. Alongside this growth forecast, we expect inflation to fall. Reported inflation — eg the Tokyo CPI — is running at 3.5% in June. The 'core' rate of consumer inflation is probably nearer 3.0% pa. We expect this 'core' rate to fall to around 2.5% pa by the year end.

Although the timing of the July 1 cut in the ODR was clearly influenced by more than narrowly macroeconomic considerations, we nevertheless believe that economic developments will permit further interest rate reductions over the next 12 to 18 months. With 3% GNP growth anticipated over the next twelve months, the core inflation rate should be close to 2% by mid 1992. We anticipate that call money rates will be between 6% and 6.5% by that time. Given these assumptions, we expect that Japan will outperform other markets quite strongly over the next 12 months. Although the poor liquidity position suggests caution as to timing, we intend to



increase our allocation to Japanese equities and to focus increasingly on interest rate sensitive areas of the market.

## Equity Markets — Other Pacific Basin

The smaller markets of the Pacific Basin tended to outperform the major stock markets in June. Hong Kong (−1%), Korea (−1.4%), Malaysia (−1.7%) and Australia (−0.3%) only fell slightly. Singapore (−4.2%) fell more substantially. Increasingly, Singapore seems to correlate with Japan and its relapse is perhaps not surprising given the weakness of Tokyo. Elsewhere, Thailand (−5.5%) retreated while the eruption of Mt Pinatubo affected the Philippine market (−8.8%). New Zealand also fell back (−3.6%). As so often, Taiwan moved in a contrary fashion — rising 5.7% over the month.

We remain overweight in the Pacific Basin region — not only in Asia (ex Japan) but also in Australia and New Zealand. The US economy will recover in the second half of 1991 and this should support both the US dollar as well as stock markets — such as Hong Kong and Australia — which investors associate with economic activity in the US. Our focus is on Australia, Hong Kong, Malaysia and Singapore. We are more wary of the less established markets.

Over the next year, however, we may progressively reduce the degree of our overweight stance to the Pacific Basin region, excluding Japan. First, while we expect a strong technical economic recovery in the US as restocking takes place, the next upswing will be relatively slack over the longer

term. This has negative implications both for the dollar and for markets which correlate with US and world economic activity. Second, we anticipate a sustained reduction in Japanese rates over the next eighteen months and that a trend outperformance by Japan relative to other markets will gradually be established. Both considerations argue for a rebalancing of regional funds in favour of Japan and away from the other markets. However, the timing of this shift is crucial and for the present we are underweight in Japan and overweight elsewhere in the region.

## Interest Rates, Bond Yields and Currencies

The US dollar gained strongly against European currencies in June, but was little changed against the yen. The Australian dollar was the strongest major currency, rising 1.5% against the US dollar after a sharp fall in May. Bond yields in all major markets rose in June. On July 1st the Bank of Japan cut its discount rate by half a point to 5.5%.

Yen bonds rallied on the news of the ODR cut, which came after a poor performance in June: yields rose strongly at the start of June and then the market traded in a narrow range. The ODR cut did not dispel this caution altogether; indeed, yields fell some 10 basis points in the wake of the announcement but the market then paused for thought. The guarded nature of the reaction can be explained in two ways. Firstly, this cut had been largely discounted in bond yields for some time, although it came sooner than the market expected. Secondly, the Bank of Japan's move was clearly

motivated to some extent by a desire to calm markets which had been unsettled by financial scandals. This makes it difficult for the market to interpret the direction of BoJ policy and to look confidently for further easing in the near future. As a result, the market may have a rather cautious tone in the short term. However, we expect that this quarter sentiment will become more confident that Japanese short rates are on a downward path, allowing bond yields to fall over the balance of the year.

We are less confident about the outlook for US bonds. Economic data continues to suggest a firming of activity. For example, the leading indicators index for May showed the fourth monthly rise in succession — the last time this happened was in January 1989. We do not, however, expect a robust recovery in the US economy; after an initial bounce due to re-stocking, growth looks likely to be fairly moderate next year due to high levels of debt in the corporate and household sector, the problems of the lending system and the lack of scope for fiscal boost. However, investors at present are unwilling to speculate that the upturn will be weak enough to keep inflation down. US real yields (based on current inflation) are lower than in most markets, despite the large borrowing requirement of the US public authorities. This suggests that the market is already allowing for a fall in inflation over the rest of 1991. For yields to fall further, investors will want to see evidence that the recovery will be weak enough to prevent inflation picking up. As long as economic releases point to firmer activity, the bond market — for all its suspicions that the recovery will be muted — is likely to continue weak.



## Latin America — From Bust to Boom?

The investment opportunities available in the Latin American capital markets have become a subject of much discussion. The success of the Mexican economy and stock market over the last two years has been remarkable, and expectations are building that similar policies will produce similar results elsewhere in Latin America.

The Latin American economies have on balance demonstrated a profound upturn in fortune during the last several years. The prospects for a continuation of this trend remain remarkably good for those nations that have seriously pursued the long term goals of economic and political reform. Chile and Mexico are at the leading edge of reform, followed by Argentina and Brazil who have been later converts. Peru and Venezuela appear to be reluctant participants in the hemispheric trend towards economic liberalization. Bolivia and Columbia have also made significant progress towards reforms. However, considerations of market size eliminate them from our consideration.

The key factor that pushed the Latin economies into heavy debtor status from the mid 1970s was the soaring oil price. Only Venezuela was energy independent at that time.

The passage of time and higher energy prices stimulated a significant amount of energy exploration in Latin America. Today we find Mexico as a major producer and exporter of petroleum and several other countries producing a significant portion of domestic energy requirements. More importantly, several areas in Latin America are considered fairly "hot" for discovery of commercial oil and gas reserves. Mexico may well join Canada as a major supplier of natural gas to United States markets.

The forces that have propelled economic reform are macro, and as such the momentum will continue to build throughout the region; the beneficial effects of these newly liberalized economies will continue to be felt in Europe, Asia, and North America.

Political reform has been the precursor to economic reform in the Latin American region and this has been strongly evident in the four favoured countries. The encouragement of democratic political reforms has been a key element in U.S. foreign policy for many years. However it has only been incentivised during the last ten years. The Reagan Administration's Caribbean Basin Initiative followed by the Bush administration's Brady Plan have not only provided relief but have offered manufacturing incentives and U.S. market access. The U.S. must continue to foster follow on programs in the area of Free Trade

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**Eric Jostrom, president of Scimitar North America Asset Management considers investment prospects in Latin America. These markets have sparkled in recent years after their collapse in the 1980s.**

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pacts — such as was recently authorized for Mexico.

Economic reform has been ushered in by reductions in, or the removal of, tariff and non-tariff barriers; elimination of licensing agreements; effective and orderly currency devaluation; significant tax reform; and the privatization of state controlled institutions.

In Mexico, privatization has been a focal point of the Salinas administration. State owned enterprises have declined from over 1100 in 1982 to 400 at the end of 1989. As a barometer for the success of future privatizations, the Mexican banks were snapped up by investors at higher prices than the government had originally anticipated. This enthusiasm for bank stocks clearly shows investor confidence in the current fortunes of the Mexican economy and also in its outlook. As a result, Mexico is witnessing the repatriation of some of the billions of dollars that were moved out of the country at the start of the debt crisis in 1982, in addition to attracting an inflow of foreign capital.

The enormity of the external debt burden which overshadowed the Latin American economies has been eased by the Brady plan, swap mechanisms and domestic austerity programs. However, this transitional phase differs from country to country, and in some cases, the debt burden will linger on as a more serious problem.

The opening up of these economies to more progressive political and economic influences has brought market discipline to economic activity and domestic inflation rates are receding in the face of the free market pricing of goods and services. This in turn has led to growing popular support and an unleashing of entrepreneurial fervour. The opportunities for the development of a sizeable middle class are clearly apparent in most countries. However, this will not likely be at the total expense of the small upper

classes that have controlled industry and politics for many generations.

Inflation in the Mexican economy, while still high, has declined dramatically. Between 1982 and 1987 Mexican inflation averaged between 60% and 160% annually. In 1989 inflation was 20%. It rose to 30% in 1990 and is forecast to be under 15% in 1991.

Chile is the other Latin American country to have experienced notable success in bringing down inflation. From the ravaging rates of the early to mid-1980s, Chile has brought its inflation down to 27% in 1990 and an estimated 18% in 1991.

Free trade agreements currently under discussion between the United States and Mexico will be an important factor in the future development of all the Latin American states.

### Equity Investment Prospects

The current level of stock market prices in Chile and Mexico is quite high, rising sharply on the heels of the extensive privatizations of the last two years. The markets are not large relative to world markets and are subject to the factors which have caused shakeouts in the emerging Asian markets in recent years. Nonetheless, these markets are attractive for long term investment (especially if investments can be made during periods of market correction) and valuations are realistic for emerging markets.

The most attractive stocks appear to be those that are a proxy for the economy as a whole or which represent significantly attractive sector investments. Thus, telecommunications, banking, select exporters and manufacturers with strong consumer-related biases are favoured.

Another advised method is to invest in closed end country or regional funds when they sell at a significant discount to net asset value. These funds, which trade on most major stock exchanges, offer the best form of liquidity for small to modest investments. On a relative valuation basis, the Mexico and Chile Funds appear to be quite highly priced. Brazil appears to be modestly attractive, with Argentina following.

We suggest that a 2% Latin American weighting is appropriate for global equity accounts. However, investors with a long term focus might want to be more aggressive and build larger positions during market sell offs. The closed end funds represent the most attractive vehicle for individuals — while international funds of \$50 million or more can build a select portfolio of appropriate sector investments in large cap issues.

## The Worldwide Selection Fund

	Unit Prices <sup>1</sup> (US\$)			% Price Movement	Total Return (offer to offer)	Total Return (offer to offer)
	June 1990	May 1991	June 1991	During June 1991	Since June 1990	Since June 1989
<b>Equity Funds</b>						
American	13.83	13.79	13.27	– 3.8	– 4.0	– 4.3
European	14.34	11.91	11.39	– 4.4	–20.6	+ 5.6
Japan	34.05	30.40	29.62	– 2.6	–13.0	+ 6.2
Pacific Basin Equity	22.21	19.56	19.02	– 2.8	–14.4	– 6.1
UK <sup>2</sup>	9.80	9.98	10.07	+ 0.9	+ 2.8	+13.9
Asian Smaller Markets	15.08	14.13	13.77	– 2.5	– 8.7	+31.1
Gold	4.33	3.62	3.77	+ 4.1	–12.9	–12.3
Worldwide	17.47	16.39	15.94	– 2.7	– 8.8	+ 2.2
Worldwide Income	—	10.09	10.12	+ 0.3	—	—
Singapore Indo-Malaysian	—	9.47	9.23	– 2.5	—	—
Guaranteed Equity Fund	—	10.15	9.84	– 3.1	—	—
<b>Bond Funds</b>						
US Dollar	9.56	9.56	9.49	– 0.7	+ 6.1	+12.0
Sterling <sup>2</sup>	9.89	9.64	9.70	+ 0.6	+ 9.9	+22.5
ECU <sup>3</sup>	9.94	10.00	9.94	– 0.6	+ 7.3	+13.4
Worldwide	9.85	9.77	9.71	– 0.6	+ 5.4	+11.1
<b>Other Funds</b>						
Worldwide Warrant	—	6.36	5.68	–10.7	—	—
Worldwide Managed	—	9.56	9.37	– 2.0	—	—

1. Offer Prices, end month.

2. Priced in Sterling.

3. Priced in ECU.

## The Worldwide Money Fund

	Unit Prices <sup>1</sup>			% Price Movement	Total Return <sup>2</sup>	Total Return <sup>2</sup>
	June 1990	May 1991	June 1991	During June 1991	Since June 1990	Since June 1989
<b>Currency Funds</b>						
Sterling	19.69	22.10	22.38	+0.8	+13.2	+30.1
US dollar	32.90	34.95	35.10	+0.4	+ 6.7	+15.7
Deutschemark	66.38	71.10	71.53	+0.6	+ 7.8	+15.3
Swiss Franc	50.49	53.95	54.23	+0.5	+ 7.4	+15.5
Yen	6696	7126	7162	+0.5	+ 7.0	+12.8
Australian dollar	33.42	37.16	37.44	+0.8	+12.0	+31.9
Canadian dollar	28.03	30.80	31.00	+0.6	+10.6	+24.1
ECU	13.05	14.14	14.24	+0.7	+ 9.1	+19.5
<b>Managed Funds</b>						
Sterling	18.95	21.42	21.96	+2.5	+15.9	+31.9
US Dollar	36.20	38.52	38.68	+0.4	+ 6.9	+16.9

1. End month prices are shown. Unit prices are quoted in the currency of the fund. Offer prices are quoted for the two managed funds.

2. The currency funds do not have a bid-offer spread. Total returns for the managed funds are shown on an offer to offer basis.



## Market Statistics

### US Dollar Exchange Rates — end month<sup>1</sup>

	1987 Dec	1988 Dec	1989 Dec	1990 Dec	1991 May	1991 June	— % Change <sup>2</sup> to June 1991 —				
							Since June 90	(Ranking) <sup>3</sup>	Since Dec 90	Since May 91	(Ranking) <sup>3</sup>
US Dollar	1.000	1.000	1.000	1.000	1.000	1.000	0.0	5	0.0	0.0	6
Canadian Dollar	1.301	1.191	1.156	1.161	1.145	1.143	- 2.0	3	- 1.5	- 0.2	4=
Deutschemark	1.576	1.774	1.687	1.495	1.739	1.814	+ 9.0	10=	+ 21.4	+ 4.3	11
Swiss Franc	1.275	1.502	1.498	1.275	1.482	1.558	+ 10.0	13	+ 22.3	+ 5.1	14
Dutch Guilder	1.773	2.003	1.904	1.687	1.960	2.043	+ 9.0	10=	+ 21.1	+ 4.2	9=
French Franc	5.342	6.057	5.765	5.088	5.901	6.147	+ 9.9	12	+ 20.8	+ 4.2	9=
Italian Lira	1164.8	1305.7	1264.5	1127.0	1292.5	1348.9	+ 10.3	14	+ 19.5	+ 4.4	12
Spanish Peseta	107.5	113.2	109.1	95.2	107.9	113.6	+ 11.1	15	+ 19.2	+ 5.7	15
Pound Sterling	0.532	0.55	0.549	0.518	0.589	0.619	+ 7.8	9	+ 19.2	+ 4.9	13
Yen	121.4	124.9	143.5	135.6	138.5	137.9	- 9.4	1	+ 1.7	- 0.4	3
Hong Kong Dollar	7.771	7.803	7.731	7.800	7.792	7.782	- 0.1	4	- 0.2	- 0.2	4=
Singapore Dollar	1.994	1.043	1.885	1.737	1.780	1.770	- 3.7	2	+ 1.9	- 0.5	2
Malaysian Dollar	2.492	2.709	2.653	2.698	2.758	2.796	+ 3.2	7	+ 3.6	+ 0.5	7
Australian Dollar	1.348	1.169	1.117	1.295	1.325	1.304	+ 3.4	8	+ 0.7	- 1.6	1
New Zealand Dollar	1.515	1.584	1.567	1.698	1.716	1.739	+ 2.2	6	+ 2.3	+ 0.6	8

1. London market close. 2. ie. + = dollar appreciates, - = dollar depreciates. 3. Ranking: 1 = strongest currency, 15 = weakest currency.

### Equity Market Performance — end month

	1987 Dec	1988 Dec	1989 Dec	1990 Dec	1991 May	1991 Jun	— % Change to June 1991 in US dollar terms —				
							Since Jun 90	(Ranking) <sup>1</sup>	Since Dec 90	Since May 91	(Ranking) <sup>1</sup>
US — S & P Comp.	247.1	277.7	353.4	330.2	389.8	371.2	+ 3.7	2	+ 12.4	- 4.8	5
Canada — Toronto Comp.	3160.1	3390.0	3969.8	3256.8	3546.1	3465.8	- 0.2	4	+ 8.1	- 2.0	3
Germany — DAX	1000.0	1327.9	1790.4	1398.2	1704.1	1622.2	- 20.8	12	- 4.4	- 8.7	14
Switzerland S B Corp.	467.3	559.8	661.1	520.1	638.0	615.0	- 18.0	11	- 3.3	- 8.3	12
Netherlands — CBS All Share Gen.	128.7	165.8	202.8	168.3	201.7	197.5	- 8.7	8	- 3.1	- 6.1	6
France — CAC Gen.	280.7	415.6	553.7	413.0	488.5	470.8	- 21.4	13	- 5.7	- 7.5	9
Italy BCI	488.0	589.7	687.4	516.6	609.6	586.2	- 29.5	14	- 5.0	- 7.9	10=
Spain — Madrid S E	227.2	274.4	296.8	223.3	284.2	274.8	- 16.4	10	+ 3.2	- 8.5	13
UK — FT-All Share	870.2	926.6	1204.7	1030.3	1201.9	1161.2	- 8.0	7	- 5.6	- 7.9	10=
Japan — TSE	1725.8	2357.0	2881.4	1733.8	1964.8	1819.0	- 14.3	9	+ 3.2	- 7.0	8
Hong Kong — Hang Seng	2302.8	2687.4	2836.6	3024.6	3707.0	3668.6	+ 12.0	1	+ 21.5	- 0.9	2
Singapore — Straits Times	823.6	1038.6	1481.3	1154.5	1554.2	1489.9	+ 1.3	3	+ 26.6	- 3.6	4
Australian — All Ordinary	1311.2	1487.4	1649.0	1279.8	1510.0	1506.2	- 2.9	5	+ 16.9	+ 1.3	1
Morgan Stanley Capital Int "World" Index	408.0	494.4	567.3	461.8	515.4	484.8	- 6.8	6	+ 5.1	- 6.4	7

1. Ranking: 1 = strongest, 14 (equals) weakest market, US dollar terms.

### Interest Rates and Bond Yields (%) — end June

Euro-money market rates <sup>1</sup>	US\$	Can\$	#	DM	Sw Fr	D Fl	FR Fr	Yen	ECU
One month	6.00	8.38	11.53	8.93	7.94	9.13	9.69	8.06	9.88
(change) <sup>2</sup>	(+ 0.12)	(- 0.18)	(+ 0.06)	(+ 0.05)	(Nil)	(+ 0.10)	(+ 0.38)	(+ 0.22)	(- 0.06)
Three months	6.13	8.43	11.28	9.13	7.94	9.18	9.69	7.96	10.00
Six months	6.50	8.62	11.03	9.25	7.94	9.25	9.69	7.78	10.13
One year	6.93	9.00	10.92	9.31	7.81	9.25	9.69	7.59	10.06
Bond Yields — Government domestic issues <sup>3</sup>	US\$	Can\$	#	DM	Sw Fr	D Fl	FR Fr	Yen	ECU
Five Year	7.88	9.74	10.50	8.74	6.52	8.80	9.24	7.24	9.13
(change) <sup>2</sup>	(+ 0.17)	(+ 0.50)	(+ 0.19)	(+ 0.26)	(+ 0.06)	(+ 0.15)	(+ 0.31)	(+ 0.20)	(+ 0.17)
Ten year	8.22	10.06	10.51	8.51	6.68	8.76	9.09	6.84	9.17
Long term <sup>4</sup>	8.40	—	10.61	—	—	—	—	—	—

1. London market close. 2. Arithmetic change on previous month. 3. Except Swiss franc and ECU where yields shown are for international issues, top quality borrowers.

4. US = 30 years. UK = Benchmark (ie 11.75% Treasury 2003/07)

### Commodity Prices — end month

	1986 Dec	1987 Dec	1988 Dec	1989 Dec	1990 Dec	1991 May	1991 Jun	— % Change to June 1991 —		
								Since Jun 90	Since Dec 90	Since May 91
Gold <sup>1</sup>	391.0	486.5	410.3	401.0	391.5	357.3	369.4	+ 4.7	- 5.6	+ 2.4
Oil <sup>2</sup> — Brent Blend	17.7	17.8	16.4	21.0	28.9	19.6	18.7	+ 13.4	- 35.4	- 1.3
West Texas Intermediate	17.6	16.9	17.1	21.9	28.4	21.0	20.6	+ 20.5	- 27.5	- 2.6
Indices — Reuters	1637.4	1746.0	1980.2	1818.1	1709.2	1732.3	1774.5	- 4.4	+ 3.8	+ 3.6
Dow Jones Spot	115.4	133.4	143.1	127.4	125.0	123.8	127.7	- 3.8	+ 2.1	- 0.7

1. London market close, US dollars per fine ounce

2. US dollars per barrel

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UNION INVESTORS ASSET MANAGEMENT COMPANY

## Economic and Financial Market Overview

JULY 1991

Both stock and bond markets barely held their ground during the second quarter after posting exemplary returns for the first three months of the year.

The most notable event in the equity market was the sector rotation during the quarter (led by transports, selected capital goods and basic industries) which outpaced laggard groups represented by technology, utilities, energy, and consumer staples. We believe that the move out of pure growth stocks to the deep cyclicals is of a long term nature and still merits investment focus, as relative valuations in the cyclicals are still at attractive levels.

Our previous economic overview emphasized the importance of the timing of the next business cycle and the prospect of a recovery in the third or fourth quarter of this year. In this scenario, the initial cyclical upturn in profits could be significant, and therefore increases in the sector weightings of cyclical growth stocks would be appropriate. Additionally, because most of the companies in this sector have significantly reduced or eliminated corporate excesses, they are superbly positioned to benefit from a pickup in demand.

If, however, the recovery is stretched out, (a real possibility) we expect the deep cyclicals to hold their relative valuations and relative performance. The equity markets already appear to have outpaced the consensus expectations for a recovery in the third quarter and are likely to have the risk of a moderate correction, particularly if long rates rise above 8.50%.

The recovery, which may actually be underway, is likely to differ from previous recoveries due to important structural variations in the economy as a whole. The initial upswing is likely to be more pronounced than previously expected because of a mis-reading of inventory levels. It appears that inventories have been depleted by some \$25 billion more than previously thought, thus the initial snap-back in GNP could be strong. This factor could cause some misleading interpretations about the recovery in general, and such a large and rapid inventory rebuilding may create bearish problems in the bond markets. A back-up in rates would be troublesome for





the economy at this time because we have not achieved the expected decline in interest rates necessary to rekindle a solid cyclical recovery.

In addition, this recovery is not expected to receive much assistance from federal spending as fiscal policy will continue to be constrained by the deficit. State and local governments are also bending under the crush of weak tax revenue growth. The already cash-strapped consumer will likely face more rounds of tax increases not so much by the federal collector, but by state and local agencies who will need to make up the enormous shortfall encroaching.

Federal Reserve policy has shifted to a neutral stance, now maintaining money supply growth more in line with GNP growth. This should appease the concerns raised regarding the creation of excess liquidity (due to increases in money) supply amidst an environment which has lacked the corresponding increases in new lending. The benefit of this neutral policy will be the Fed's control of future inflationary expectations, which should ultimately contain any significant rise in long term interest rates.

In the absence of new lending, the banks continue to tighten the credit noose in their search for improving their asset quality. While changes in the banking system to improve the quality of their balance sheets have been necessary, it would appear that the flow of liquidity into the banking system instead of going to a higher quality of credit on a smaller asset base is actually working its way back into the system and financing the federal deficits (i.e.: buying government securities) rather than going into expansion of the economy (i.e.: making loans).

These observations have led us to conclude that we will experience the initial throes of a business led recovery that, if left alone, should produce an initial spurt of GNP in the 2.5% range -which by historic measure is "modest." The consumer remains subdued and lacks access to pent up liquidity while his savings rate continues to decline. The "credit crunch" has not yet reached a climax. Thus the prospect for an extended recovery beyond the end of the year lacks credibility. A strong argument can be advanced that the recovery will be anemic or short lived, requiring more time to establish a solid tripod base of business, consumer and lender confidence.

Against this background the equity markets remain vulnerable to any unexpected shock or signs of a double dip. We think the maximum downside is 10%. Looking ahead, we believe the markets are well supported by 3 1/2 - 4% inflation prospects, lean operating structures and deleveraging balance sheets. Based on 1992 S&P earnings of \$25.00, the S&P500 has upside potential to 425 over the next 12 months. This corresponds to 3200+ on the Dow once the near term uncertainty has been cleared.





## Discussion of Equity Sector Weightings

While we believe that the North American stock markets are fairly valued and fully discounting the expected recovery, we believe there is potential for significant performance variations among the various sectors.

Specifically, we recommend significant overweighting of the transportation and capital goods sectors and a slight overweighting of the financial and energy sectors. The transportation sector is comprised of early and deep cyclicals which historically show their best relative performance after the economic trough has been seen and into the recovery stage. We believe we are now in that period of the economic cycle. Air transports in particular should also benefit from fewer competitors in this cycle as consolidation in the airlines continues to take place.

Capital goods stocks also show best relative performance after the economic trough has passed. From a longer term point of view, the capital goods sector has underperformed the consumer sector for most of the last decade. Consequently, even though capital goods stocks have outperformed recently, the valuation parameters are still quite reasonable compared to both the market in general and the very lofty valuation levels of consumer staple stocks.

The financial and energy sectors are recommended to be moderately overweighted. The financial sector was deeply undervalued earlier in the year and we thus recommended an overweighting. While the sector is still undervalued, our weighting has been cut back to a slight overweighting largely due to the price advances in the stocks. The energy sector is oversold and undervalued and we are recommending a slight overweighting. A small gold allocation is recommended as we believe the supply/demand characteristics favor a rising gold price going forward.

The consumer goods sectors (both staples and cyclicals) continue to be targeted for an underweight position in the portfolios. The chief reasons for this stance are the high relative valuations of the consumer stocks; a lack of pent-up demand for the consumer; an expectation of a business-led recovery vs. a consumer-led recovery; and unfavorable demographics which will dampen the housing cycle.

Technology stocks are also underweighted. Over the near term, many technology companies will be hurt by the strong dollar and weaker export markets. The utility sector is recommended for a slight underweighting. The near term benefit from significantly lower interest rates appears diminished and dividend growth is not impressive. However, the defensive characteristics of the sector should result in competitive relative performance. Basic materials have been raised from an underweighting to a market weighted position. These companies are basically deep cyclicals and the valuation levels are attractive.



## Fixed Income Overview

The evidence is mounting that the recession is over. Money supply changes over the past month confirm the Fed's neutral stance; and unambiguous statements have been made by Chairman Greenspan as to the Fed's observations of recovery. Money growth (M2) will remain consistent with the targets set for the year (3.5% to 6.5%). This neutral monetary stance will add credence to the theory that any recovery will be anemic, and may even be aborted by another downturn (albeit milder) before turning up in 1992.

The Fed's neutral stance should lend support to the long end of the bond market. In previous early recovery stages, the yield curve steepens in anticipation of inflationary pressures brought on by easy money policy, stimulating the recession's end. In this recovery, monetary policy has fallen short of excessive, and a quick turnabout to restraint (in contrast to tight policy) should contain the inflation pressures which occur in the latter stages of the recovery past the initial point at which increased demand meets slack capacity.

As long as inflationary pressures remain in check, the yield curve will most likely "flatten"; that is, further changes in yields will favor relative performance at the longer end of the intermediate maturity range, as well as long dated maturities. In addition, if short rates have ceased their downward bias, yields may actually rise slightly in the shortest maturity ranges if competition for short term financing increases.

The bias of our investments will be structured in the intermediate range; some cash equivalents will be maintained for investment opportunity during periods of yield back-up. Our analysis still points to undesirable risk in long (30 year) Treasury bonds in front of the excessive financing requirements which face the Treasury for the remainder of the year.

With the improvement in confidence levels and the emergence from the depth of the recession, credit concerns have abated. Corporate bonds have performed well in this year (in particular, bank and finance bonds), as yields spreads tightened in to Treasury yields. We may selectively expand our holdings of high quality corporate or asset backed bonds where incremental yield can be added to the portfolio, and where our analysis verifies the issuer's credit worthiness.

**The Union Investors Asset Management Company  
Investment Committee**

